

Closed Caption Log, Council Meeting, 03/15/12

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>> Leffingwell: Good morning.

I'm austin mayor lee leffingwell and a quorum of the council is present.

I'm going to call this special called meeting of the austin city council to order on thursday, march 15th, 2012 at 10:07 a.m.

We're meeting in the council chambers, austin city hall, 301 west second street, austin, texas.

Without objection, council, I would like to go in reverse order and take the briefing first and then take up item 2 to set the public hearing.

And last take up item number 1.

So with that, we'll go ahead with our presentation.

>> Thank you, mayor, city council.

Kevin johns, director of economic growth and redevelopment services.

I thank you for taking time from your busy schedules over the spring break.

It wasn't just the spring break, but it was also the ides of march that made me worry about everyone attending the meeting.

This is a presentation that we're delighted to make for apple expansion.

Representing apple here today is terry ryan, who is their senior tax consultant, also jason lundguard, their governmental affairs director.

And glen golden, who is the site director for austin.

He's a local austinite.

We also have from staff veronica laura.

We've got lucy goldbreath from capital metro and jacqueline collins who helped us do the legal work.

So the presentation gives you an overview of the economic development proposal.

The purpose of today's briefing is to present an overview of apple's review of the matrix criteria and score, a summary of the fiscal analysis, compilation of the benefits and review of the proposed agreement.

Apple is a publicly traded company founded in 1976, so it's a bicentennial american company.

The company is based in cupertino and it is the world's leading designer and manufacturer of personal computers, portable digital musical players and sells a variety of musical and third party applications.

The company worldwide has 63,000 employees.

Here it has 3100 employees.

As our process moves forward, as you know, we did an economic development matrix evaluation and we looked at these five categories.

The overall economic impact, the linkages to the local economy, infrastructure impact, character of jobs and labor force practices and quality of life, cultural activities and then the web loci analysis.

I'll break it down into these two points.

Apple scored 100 out of 100 on the developmental matrix.

That is based on the following that austin will develop its presence by developing its 1,000,002 square feet 282-million-dollar investment americas operations center in austin.

A apple will create 3,635 new jobs over a 10 year period while retaining the company's existing 3100 austin-based employees to bring us close to 6,700 apple employees.

Apple offers a comprehensive benefits package, including health insurance, domestic partnership benefits and tuition reimbursement.

The loci analysis summary is as follows.

What we're proposing is 6 million over 10 years.

The total direct benefits are 8 million to the city.

Total costs are 2 million to the city over the 10 years.

And subtracting the two leaves a net benefit of 6 million to the city net benefit.

Contractual obligations are outlined here.

These include the establishment of the americas operations center in austin, which includes north america, south america, latin america.

The investment of 5 million to construct up to 1 million square feet of new office space, create and maintain up to 3,635 new full time jobs with an average annual wage of 63,950, while maintaining the 3100 full-time employees in austin.

Some of the other contractual agreements include working with local organizations to expand the pool of diverse candidates and recruitment efforts, the diversity policy, comply with the minority business enterprises requirements and the design and construction of the center, and comply with all city codes, including the water quality regulations.

So today we are just setting the public hearing, making the presentation so the public can comment on the proposal.

And then we would have the march 22nd public hearing in which there would be a decision and public feedback.

Beginning march 19th, public comments will be received, which is generally well received.

With that I would be happy to take any questions or we have apple representatives here and other staff.

Thank you very much.

>> Mayor Leffingwell: [Inaudible].

One speaker signed up on item number 3.

Gus pena.

[Inaudible]

>> morning, mayor, councilmembers.

ott, gus pena, proud east austin native, proud united states marine corps veteran and you have heard me throughout the years, councilmember spelman when you ran for office in '97, economic development.

We need jobs everywhere.

But I'm proud to say that apple has always been on our radar screen.

A lot of people may not think we're rocket scientists out there in east austin, but we are and we have a lot of astute, educated, intelligent people out there that are seeking jobs for the people, especially for our kids.

What kind of future do we have for our kids if we don't have economic development and jobs, but better training for our kids to be able to be employed in this type of job development.

It's good.

I know -- I don't know anybody that would not support it.

I don't know the specifics, but I do know one thing that caught my eye, and I believe it's going to be some need for also spanish speakers and that's great because we have to be inclusive for everybody.

I want to tell you something and I hope you are not shocked at it, but I'm in the process of learning far si and mandarin.

I told lucio you need to learn it too because we're going to need it.

I want to thank you for allowing me to speak and for the representatives from apple.

And we need to be educated.

Anyway, job well done on this, mayor, councilmembers, mr. ott.

We need this and we wholeheartedly support it.

Gustavo garcia-spillar, let's get our young people trained and educated for the future.

>> Mayor Leffingwell: There was a computer glitch on the agenda, so all the items signed up on number 2 really meant to sign up on number 3, so I'll call those now.

Greg (indiscernible).

>> Morning, council.

My name is greg casser and I'm part of the project and we have about a thousand low wage workers, mostly construction workers and I've testified at council several times about the serious dangers in the construction industry and how it's arguably the most dangerous industry in austin.

We know this will be a really large project over 10 years over a million square feet of office space will be built.

And I know that this is bringing a lot of really good jobs to austin and we're happy to hear about those and I'm pretty sure that in the presentation the averages that are being shown and the numbers being shown don't include the hundreds of construction jobs that will be created by this.

So we really would look forward to an opportunity to speak with glen or whoever else from apple to have a serious discussion about what kinds of standards they're setting on this -- such a large project that the city is endorsing.

After the serious accident at f 1 recently and several reports you've been hearing from downtown projects that are happening right now about people not following federal safety laws or even the city's own coordinates, we really want to sit down and have a conversation about how workers will be created, not only contractors, but workers, how they'll be trained and to see if their wages will be anything close to decent because even though it will be bringing middle class jobs here, we know that often times it's the construction work that's ignored.

So I thank you so much for your time.

>> Mayor Leffingwell: Dave porter.

Dave signed up for and has three minutes.

>> Morning, mayor, councilmembers.

Dave porter with the greater austin chamber.

First of all, I too want to thank you for coming in on your spring break for this incredible opportunity that we have before us.

This is a huge deal.

This is what we consider to be one of the deals of the decades.

About once a decade we get an opportunity to work a significant project.

Last decade it was the samsung deal.

This decade even though we're still early in the decade, we have an opportunity here with apple.

But this is a significant project, but I should remind you this is still very much a competitive situation.

This is not a done deal for austin.

The process that we go through makes it appear to the public that this may be a done deal, but by no means is this a done deal.

We're still very much in a competitive situation to land this project.

To have the globe's largest tech company put their operations center of the americas here in austin is huge.

That covers north america, south america, latin america.

These are going to be jobs all over the board.

It's not just 3600 software jobs.

These are jobs that are going to be in hr, finance, entry level.

So this is going to be a huge benefit to our community and allow a great opportunity for employment in many sectors of our community.

So this is a wonderful opportunity and we hope that you do the right thing next week and that apple selects austin for this project.

Thank you.

>> Mayor Leffingwell: Ken vinson.

Signed up in favor.

You have three minutes.

>> Mayor, mayor pro tem, councilmembers, my name is ben rothlisberger son and i am on the board of united way capital area and was -- the last two years I have been chairman of the campaign.

And on behalf of united way and the thousands of nonprofits we have here in our vibrant community, I'm speaking to welcome apple to expand your presence in our community.

I think it's going to be a tremendous addition to our community.

As part of apple's presence here, we would like to ask council to direct city staff to consider negotiating with apple, including within this development agreement the opportunity for an employee charitable campaign with perry world productions to be operated with all of the apple employees within central texas.

We found through past experience that charitable campaigns that enable payroll deduction make it easier for employees to serve as philanthropists and get engaged in philanthropy in our community.

There are many campaigns we run here locally that have payroll deduction.

, enterprise rental car, samsung, austin semiconductor, applied materials and many other employers take advantage of this opportunity today and we would like to ask that you negotiate this with apple as well as an opportunity for us to expand the opportunity for apple employees to participate charitably in our community.

Thank you.

Charitably in our community.

>> Mayor Leffingwell: Thank you.

I believe there will be a discussion of charitable opportunities that apple employees to its employees.

And we'll ask that question when we get through.

>> Thank you, mayor.

>> Cole: Mayor, I have a couple of questions for mr. benson.

Thank you for coming out and bringing the issue forward about charitable contributions.

I have spoken previously with some of the apple representatives about that, but I think it's a good time right now to point out some of the needs of our community.

We know the face of our community is changing.

It is moving from predominantly an anglo face to a minority face.

And that is true for not only austin, but the entire central texas region.

I believe that apple will be located -- the school district will be in round rock, but that doesn't change our need to help the schools and for other charitable needs.

So my question to you is i know you've been involved in the charitable community, the philanthropic community for a long time.

What do you see as some of the needs of that community?

>> Within the united way right now we are focused on a campaign to end poverty in our community.

Now, we know that that is a big, far-reaching goal, but we have three focus areas for united way, education, income and health as opportunities for us to reduce the impact of poverty, help move citizens out of poverty because this is a wonderful community.

This week in south by southwest we're experiencing how great it is to live here and yet there are people in our community today who don't get to enjoy the benefits of our vibrant economy.

In united way we run programs and we fund other nonprofits that are involved in reducing and eliminating poverty.

>> Cole: benson, i know that you are the current chair of united way, but I also know that you served on other nonprofits.

We aren't here today to just promote one particular nonprofit.

We want to make sure that everyone knows about the needs of our entire community and that bringing a company like this here regardless of the specifics of how they negotiate with people who make employee contributions is important.

And I will ask them about what they intend to do.

But talk about your focus on poverty, education and health.

How did that come about?

>> What we did, united way capital area represents nonprofits within central texas.

And united way capital area we are part of united way worldwide that does research on how best to reduce poverty in the community.

And what we've found is of those -- of all the things we could do to address poverty, that the key core issues were education, how do we ensure that all of our children have the opportunity to get access to education?

Today most school children in central texas have some form of a preschool before they start out in kindergarten in public school, but there are children who do not.

And as a result those children who don't have the opportunity for preschool prior to kindergarten wind up languishing during the entire education career.

We start the success by six initiative to give children the opportunity to be fully prepared to enter into kindergarten.

Within income we have programs that are designed to help transition the working poor into job skills and to give them the type of training they need to be able to thrive and to expand their ability to earn good jobs.

And within health, right now as you know, united way capital area hundreds 211 and we run the largest health care referral system within texas by running 211.

>> Cole: Okay.

Thank you.

>> Thank you.

>> Mayor Leffingwell: We also have adriana cruz and mike rollins signed up in favor, not wishing to speak.

So council, several people out here that will available for questions if you have any.

Councilmember martinez.

>> Martinez: Thank you, mayor.

I did want to ask some questions of a representative of apple, some of the points that were made.

In certain previous agreements these issues have come up and the council has taken some policy stances, maybe not necessarily with agreements of this size.

But obviously where the city participates, we want to ensure that all of our values are part of any agreement.

So one of the speakers brought up the point of construction site safety procedures.

I wanted you to just explain to us what type of procedures apple will employ to ensure construction safety for workers.

And then also whether or not this agreement contemplates a certain floor on the level of wages for those construction workers.

>> So obviously worker safety is an issue that is extremely important.

We're happy to have that conversation offline.

I don't have the specifics of how that is going to be structured and dealt with, but I'd be happy to follow up on that.

>> Martinez: Great.

So you would be willing to meet with the workers defense project and other folks that have raised these concerns and could potentially have some input as to their experiences here in town and what we can do to improve worker safety?

>> Yeah.

I'll certainly need to bring that back to the people working particularly on the project, but yeah.

>> And so is there anything in the agreement that speaks to austin's living wage for construction workers and/or employees of apple?

>> So there is definitely -- there is definitely an aspect of the agreement that talk to the wages that apple will be providing.

That's laid out in the schedule regarding the annual wages of the jobs that we're going to be providing as well as the wages for the lowest 10% of the workforce that we're planning on hiring.

So that is all laid out in the agreement in front of you.

>> Martinez: Kevin, i wanted to ask you, in your negotiations thus far have we discussed any of the wages for the construction that will happen on site?

>> We've had a thorough discussion of the employees and the average wage of 63,950.

And the lowest wages -- the lowest 10% of the wages is 35,000.

But to the best of my knowledge we have not had discussions about the construction, the construction community and their wages.

>> Martinez: I would encourage that moving forward that we bring that to the table and at least discuss those items in terms of what apple is willing to contemplate and/or what this council is willing to contemplate.

>> The apple representatives have been just really wonderful to work with.

I'm sure they would be very open to those discussions.

>> Martinez: Thank you.

Thanks, mayor.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I would like to ask a couple of questions of the apple representative.

We appreciate the fact that you're bringing jobs and actually going to employ austinites and that you're bringing jobs that are not just for the very highly educated, but also people that would go to a.c.c.

Can you talk about your potential relationship with ?

will benefit immensely from this deal and increased revenues coming into the district.

We participate with local districts and education partners all the time, but we have not laid out specifics about what we intend to do with the district.

>> Cole: Can you talk about when you come to a city that you've been to before as opposed to what might happen here -- i realize this agreement is pending, but what kind of benefit do you see from the local colleges or community colleges.

>> Benefit from or to?

>> Cole: To and from.

They obviously must benefit from the job opportunities, but is there any specific efforts that you make in other locations to make sure that that happens?

>> Obviously, the relationship goes both ways, right?

We benefit from excellent educational facilities that provide flow and workers and we think that the jobs that we're providing also are a great opportunity for individuals coming out of those educational institutions.

>> Cole: Do you have to make any decisions about the specifics of a degree program that you're looking for?

Is there something that we in austin are obviously doing right that we need to think about continue to go do that made you consider coming to austin?

>> I don't think we have anything in mind regarding specific degree programs, but we're happy to have those conversations ongoing.

>> Cole: Okay.

Now, can you talk a little bit about your charitable giving program?

>> Sure.

And again, we're happy to follow up with the gentleman from united way.

Really the heart of his question was what is apple going to do to empower their workers to be involved in the community.

In addition to our community affairs organization which helps kind of organize volunteer opportunity for some of our workers.

We do offer what I believe is a very generous employee matching program.

We match up to charitable donations of up to \$10,000 per employee per year for charitable causes that they want to get involved in.

>> Cole: Okay.

I asked those two lines of questions because our community colleges do a lot of the heavy lifting in austin and the surrounding areas, especially for the underemployment and unemployed.

So I hope that y'all have a very strong relationship and that you make contact with them, assuming that this agreement is completed.

And I'm glad that you're happy to meet with and talk to the gentleman that was here about an employee charitable program.

Thank you.

>> Thank you.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I have a few questions, some for you and some for mr. johns.

I want to echo my colleague's questions and their good points.

I concur that those would be good areas to employer and especially with regard to the community college.

I wanted to ask more questions about the job.

In looking at the schedule laid out on -- in the business information form i see that there are 1500 jobs contemplated.

I want to get a sense of what kind of jobs those could be.

>> I think the jobs that we'll locate here will run the gamut.

We will have some consumer support type positions, which I think will make up some of that 1500 positions.

>> Tovo: Great.

And in terms of a more skilled position, in your johns and others, do you feel like there is a good strong pool of applicant -- of qualified applicants here in central texas?

>> Yes.

I think that's one of the things that made austin a good -- a city that we are going to look at when we are exploring our options as far as where to place these, where to locate these jobs.

So that was definitely a selling point of the city.

>> Tovo: Then I hope -- again, I just want to echo mayor pro tem cole's suggestion that you work with the community colleges to make sure that there are individual in the pipeline who would be well qualified for these positions.

I think that would be a good benefit for your company as well as for those individuals.

And so I did some reading about the kind of training you provide to your employers.

How would somebody that begins at your company in one of the entry level positions, what might be their path upward?

What kind of training benefit would be eligible for and how might they move, progress on up in a career path.

>> We offer both training related to a specific position that we hire towards, we offer kind of customizable training programs through our apple university program and then we also offer tuition reimbursement education assistance program for people who want to continue their education, whether it's pursuing an initial degree or advanced degree that will help them with their career path.

>> Tovo: Okay.

Thanks.

These may be questions for either one of you.

I notice in the contracts that there are some provisions for not having more than 25% contract employees.

And I wondered if -- and i think that includes existing and new employees.

Do you have a number for how many contract employees are currently employed by apple here in austin?

>> I do not.

>> Tovo: Maybe for the public hearing we could talk about that.

In the firm based criteria section it talks about one of the staff assessments that are -- that your expansion here, significant expansion here could seed other kinds of businesses and encourage them to locate.

I wonder if you could give us some sense of what will be other businesses that could locate here as a result of your significant expansion.

>> I don't want to speculate too much on that front, but obviously there are a host of services, business services that tend to gravitate towards where large employers are.

So there's a whole host of catering, other just business services that would view apple as attractive potential customer and might look kindly upon moving towards that location.

In addition to just other businesses that will utilize workers with the same skill sets.

We'll find a community of kind of a workforce that's skilled in the area that they need as an attractive proposition.

>> Tovo: Great.

And with regard to the location, the agreement talks about the parmer location or another location.

And I didn't know if you had any other particular locations in mind if the parmer location doesn't work out?

>> I do not, no.

>> Tovo: So at this point the plan is to expand out there and to do your construction up there, but is there a possibility -- since it's written into the proposed agreement that it might be another location, do you think there is a significant potential that you would locate somewhere else?

>> I can't really comment on that.

>> Tovo: Okay.

All right.

Thanks very much.

johns, I think my other questions are for you.

Just a couple of quick ones.

The threshold levels, i think I understand from some of the discussions that my office has had with your office that there have been a couple other companies who have gotten 100% property tax --

>> in recent years samsung.

Samsung is the primary company that's received 100%.

And I have the amount of their investment.

Of course, I think we all kind of know that it was in excess of -- it was several billion dollars.

5 billion and 700 jobs.

>> Tovo: Thank you for that comparison.

Okay.

I think that's it for now.

Thank you and thank you again.

For the information.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: You're close, let me ask you first.

First I'd like to congratulate you on making all of the basic documents associated with this proposal available online.

I was just looking for them a few moments ago and i found everything I was looking for.

So I'm really happy it's available to us and I'm very happy it's available for the public to look at right away.

>> Thank you.

>> Spelman: I also congratulate you on your wisdom in not actually passing them out to us because then we would actually ask you questions about them.

Unfortunately I was too smart for you and I went up online and found them, so let me ask you a couple of questions about the stuff which only shows up on line which you didn't present a few minutes ago.

I'm looking at the major category report for the web loci analysis, which is your summary of all of the benefits of the proposal and all of the costs of this proposal on a year-by-year basis starting in year zero, which is presumably next calendar year and going to 2014.

>> That's correct.

>> Spelman: And we have benefits including sales taxes, property taxes, franchise fees and so on.

All of the different ways we collect money from folks in order to provide them with services.

And then all the of costs are the services that we're providing.

And I'm guessing we have large numbers of property taxes here for year 1, 2, 3, 4 and so on.

Am I right in believing these are not property taxes we would be collecting directly from apple, but property taxes we would be collecting from apple's employees?

>> If I understand your question correctly, you're asking if -- why we're not providing incentives the first four years or are you asking whether the -- within the loci analysis there is -- we're collecting property taxes -- we are collecting property taxes and/or taxes from the employees?

>> Spelman: Sure.

>> Sue reminds me that it's just for construction.

For the first four years --

>> Spelman: First four years are just during construction.

Presumably apple will not be hiring anybody during the first four years?

>> That's correct.

They have to build the 200,000 square foot building first to house the people.

So the -- there's a ramp-up period where the city is not going to be paying incentives until they have received their certificate of occupancy for the first 200,000 -- for the phase one because they'll need a building to move into.

So we've structured the first four years where we're not paying incentives.

And then after their certificate of occupancy kicks into gear.

And year one it's 300 jobs.

Year two 300 jobs.

Year three a minimum of 50 jobs for a total of 650.

And then there's the base.

>> Spelman: Gotcha.

So the benefits for year zero through three are benefits only associated with construction.

>> That's right.

>> Spelman: That's why there are no costs associated with year zero through three.

>> Right.

>> Spelman: What assumptions are we making about the construction workforce both from the construction angle and from the apple side?

Presumably we're taking into account they will have to hire construction workers to build the building, right?

>> Yes.

>> Spelman: What assumption are we making about who these guys are and what they're getting paid?

>> I haven't really broken that down.

I can ask eve richter who put the loci analysis together for apple to dig into that a little bit with you here if you wish.

>> Spelman: She happens to be right behind you.

>> We did discuss if this came up, so I'm not surprised.

>> Those construction figures are simply for cost and materials and non-inclusive of labor.

So we actually do not consider the cost of labor in the analysis for construction as it is not taxable.

We are looking at those amounts that we can draw taxes from.

>> Spelman: so presumably if people get paid, they'll spend more money, they'll live in better places, their property taxes will probably increase, but you're not including any of that stuff.

>> We don't -- no, we don't include labor.

>> Spelman: Okay.

This is just for materials.

Tell me about how you're incorporating the -- walk through me real briefly -- we don't need details and i know you know more about this than any of us have time for, but what you would summarize the primary benefits and the primary costs that I see in front of me on this report are?

What roughly are the benefits about?

Who do we get them from?

>> The benefits come both from the construction of the new facility as well as from the employees that they will begin hiring in year four.

So the costs kick in in year four when they start hiring employees.

Those are not specific to apple.

They're the same as it would be for any employee, just average cost of having a person in austin.

>> Spelman: Okay.

So one more person living in austin is going to cause us to have to provide services to them.

>> Certain benefits and certain costs.

>> Spelman: Gotcha.

Why is there a -- the benefits are greater than the costs at the end of the day.

89 Versus 76.

>> That's correct.

>> Spelman: Does the 76 6 million of grants to apple?

>> The costs do.

The 8.6 is our incentive.

That's the property tax rebate.

>> Spelman: Where do i find the incentive line?

>> That's under costs.

It's the first line called support.

>> Spelman: Okay.

So support means support to apple.

>> That's correct.

>> Spelman: Gotcha.

And I could reasonably presume that that support to apple is equivalent to the amount of property taxes that apple would otherwise be paying us.

>> That is the real property and personal property.

So business equipment.

>> Spelman: Gotcha.

And that would not be showing up in the benefits line.

We're not double counting it here.

>> No.

The benefits line of -- we're not double counting.

The benefits line includes those taxes, but you'll see the exact amount of the property taxes does not equal the exact amount of the support because those taxes in that line starting year four include property taxes from the employees.

So the homes that they purchase and things that they have as well.

But not the first few years because that's just construction.

>> Spelman: so I'm looking at year five, for example.

Property taxes for year five on the benefits side are 1.4.

Are these actual dollars?

\$1.4 Million.

>> That's correct.

>> Spelman: And then support costs are \$838,000.

>> That's correct.

So we break those out and calculate them separately.

>> Spelman: Right.

4, 838 is actually apple's property taxes.

The remainder is employee property taxes.

>> That's correct.

>> Spelman: Okay.

What assumptions are we making then -- so we have apple counting two places.

The benefits we're taking it in, but the costs we have to bring back out again.

>> Correct.

>> Spelman: Okay.

What assumptions are we making about how many of the people that apple is hiring are already living here and how many of them will be moving from cupertino and how many will take the jobs because they're available here?

>> The web loci analysis we of sources including capcog and the cam chamber and other resources to figure out how many people who take a job in austin are from austin and how many are commuting in from other places.

So there's a black box calculating that somewhere in there, but we've put in our assumptions based on our community inputs.

Those are the same for every project.

Web loci is not sophisticated enough to go by where the actual location of the facility is.

We also -- it's just the inputs.

>> Spelman: Okay.

But the inputs are based on our experience in austin, texas.

--

>> we have to state those annually, yes.

>> Spelman: So if I opened up a shop and hired 100 people, some of the people already lived here, some of the people are moving from nebraska and some of the people I'm importing from someplace else.

And that's taken into account based on our experience with similar companies.

>> Roughly.

There's also the unemployment rate is filtered in there as well.

So how many people were previously unemployed, how many people already lived here, how many came in from other counties.

>> Spelman: So if your unemployment rate were two and a half percent like it was four or five years ago, that would assume most of these people would be coming from someplace else because we haven't got that big after labor pool to work with.

>> I'm not privy to the black box calculations that web loci does.

We do that with every project.

How many people live here or will move here from surrounding counties or elsewhere is annually updated.

>> Spelman: Okay.

And if you put in a different unemployment rate, if our unemployment rate went down, presumably more people would be moving in, not -- we would be hiring fewer people who are currently living in austin texas, we would be hiring more people from outside.

>> I believe our benefits go down slightly in that case.

>> Spelman: Okay.

They would.

Do we have a sense for what percentage of the people web loci is calculating would be moving in to austin, texas to take these jobs or is that something it doesn't report?

>> We typically use the companies -- how many they plan to hire locally.

That gets figured in.

And then -- no, actually, it doesn't.

It's the web loci that calculates that.

I could get that input number for you.

>> Spelman: Okay.

I'll ask you for it offline.

That would be very helpful.

Thanks, eve.

I'd like to ask the fellow from apple a couple of questions if I could.

>> Spelman: I wanted to get more detail to verify what I think is true.

You're talking about mostly back office operations in an operations center.

And you mentioned human resources people, you mentioned I think accounting staff and then customer support.

They have college degrees.

They have aa's, what kind of training particular skills do they need, that sort of thing?

>> I think obviously given that this will deal with the customer support jobs will deal with both north and south america, so language skills are very important.

The level of education i think is kind of -- runs the gamut as far as what is definitely required, but i can't give you a firm answer on that, but I'd be happy to follow up with you on that question.

>> Spelman: When you say that 50% of the local executives would be hired local -- which is high.

I wouldn't think you would be hiring 50% of your executive staff locally, but over the course of 10 years, 75% of your managers locally and 90% of the supervisors, 85% of your staff, staff level jobs and 99% of your entry level jobs.

These sound like really, really good numbers which can help us a tremendous amount with our own unemployment rate, which although lower than most other cities, is still higher than we're used to around here.

When you say locally higher, that means that you're going to be hosting the job locally, doing interviews locally, but we can't be absolutely certain that 90% of your supervisors are actually going to be living in austin, texas right now, is that right?

>> Yes, that's my understanding.

>> Spelman: Is there anything you can tell us about the likelihood from your point of view that the supervisors, the staff level people, the entry level people, are actually going to be austin

residents as opposed to people who moved here from nebraska because they heard there were jobs here?

They really want to work for apple.

>> Right.

I think our intent is to hire locally to the extent possible.

And I think the numbers that we submitted reflect that commitment.

Obviously when it comes to some of the rules there would be a preference.

People who have been working for apple and hiring from within is obviously -- would be a priority as well.

So I think there's kind of a natural progression of as those new jobs come, people who have experience with the company and might be more likely to take supervisor type positions, then I think that is reflected in the numbers as well.

>> Spelman: That's a very good thing.

I imagine it helps you keep your employees for a longer period.

So -- this is probably one of those offline calculations that eve and her magic program will help us figure out, but my best guess is that although we're going to be hiring 99% of the entry level positions in austin, texas, 99% of the people you hire will not currently be residents of austin, texas.

There will be some watering down of that.

That impressive and valuable effect that you will be having on our unemployment rate.

And although I'm going to try to figure out just how much watering down there's going to be, it sounds to me that the fact that you're hiring so many people over a 10 year period locally is a very, very good thing for our economy and for our workforce and people.

>> I think it's a valuable point.

[10:50:00]

Even if people are coming from surrounding communities, the impact on austin, the benefit to the city and the city's residents is going to be real.

Those people are still going to be buying things in austin stores, they're still going to be eating at austin president rants and there will be definitely positive benefits even if people come from outside of the city itself.

>> Spelman: And eve, i won't ask you to come up.

Just nod your head because I'm almost sure I'm right.

All of those secondary effects of having more money in people's pockets and therefore buying more goods, going to restaurants more often, all that stuff is not taken into account in the web loci analysis, is that correct?

Oh, it is?

In that case we'll have to have a little bit more.

Thank you, sir.

I will have to ask eve this.

Tell me, eve, I thought there were no multiplier effects here.

>> [Inaudible - no mic].

>> There are no multiplier effects, but it does take into account some amount of spending.

That's why we include factors such as disposable income.

There are no multipliers, so it doesn't take into account the secondary jobs created, but it takes into account their spending.

We're pretty sure that number is 60%, but I'm going to verify it for you.

The number of hires -- new hires in austin that come from people that currently live in austin we believe it's about 60%, but I'm going to verify that number for you and I'll email it to you and the rest of the council.

>> Spelman: If you could, that would be wonderful.

Thank you very much.

I'm done.

>> Morrison: Thank you.

I want to echo my colleagues' welcome and thanks for participating in this process that we have.

I want to follow up on one chart that I see.

When I'm looking at the job categories and wage distribution, I'm not sure who this question is going to be for.

That chart is on page 6 of the business information form.

There's actually two columns for number of jobs.

One is employed by the company.

And the other is vendor or contract.

And so the vendor or

[10:52:02]

contract numbers add up to 1,090.

So I'm assuming that the 3600 includes that 1,090 have vendor or contract jobs that are not employees.

Is that correct?

Okay.

So that means that actually the employees of apple will be 2500.

So my question is about the vendor or contract jobs because we talk a lot about the benefits that are provided and the wages that are provided.

So is what we're hearing about benefits and wages also true for the vendor and contracting jobs?

>> They're different.

The average salaries are factored in, but the contract jobs do not include benefits.

>> Okay.

So do we know-- are there any standards or anything like that?

Let me back up.

Are they contracting directly with -- is apple contracting directly with the individuals or through third-party vendors and contractors?

>> I'd like the apple representative to speak to that.

I think it's the former.

>> Morrison: Okay.

Thank you.

>> Morrison: How does that affect the 1,040 that are vendors or contracts?

>> It's not actually an issue I can speak to at the moment.

Again, happy to follow up with you and get that to you at some point.

>> Great.

I would appreciate that.

But I do want to mention that I guess I saw that

[10:54:00]

apple worldwide has 60,000 employees.

And if we're talking about austin being home to five or six thousand of those employees, that means that austin will be home to roughly 10% of your workforce, which is a pretty big chunk of change and i think that's an exciting prospect for us.

And I did just want to also mention, especially with all the focus on the web loci analysis, just to remind everybody, I think that it's probably the three-year anniversary of having started this new process.

We worked with the chamber and folks that were concerned about cost benefits.

And making sure that we get everything out there on the table on a timeline that really allows for the public to take a look at things, for us to ask questions and be able to have follow-up.

So I want to thank you for participating in this process because I know it might not always be the simplest thing to do, but it really helps us and our community take a look at the incentives that we may be offering.

So thank you.

>> Mayor Leffingwell: Councilmember riley.

>> Riley:.

>> We've had a chance to visit about some aspects of this arrangement.

And one thing we talked about was transit.

And we talked about the fact that the site in question is not -- does not currently have a direct connection to transit.

Could I ask you to address apple's interest in transit and how apple expects to work with its employees to encourage consideration of transportation options?

>> Sure.

Apple obviously has an interest in making sure that all of our employees can get

[10:56:01]

to work and transportation is obviously a key part of that in transit.

We do subsidize public transportation for our employees.

We run shuttles to and from local bus stations and local light rail.

In addition it we offer services that allow our employees to find other people in their area looking to carpool.

In the event that people take a bike or that they take public transportation and need an emergency ride somewhere, we offer emergency ride services for things that pop up that people don't have that need to say, well, I might need a car, so I'm going to drive even though public transportation is an option.

>>

>> Riley: Okay.

So apple is committed to public transit and expects to maintain a robust program working with its employees to encourage transportation options.

>> Yes.

We already have a robust program in place that we'll scale along -- to accommodate any additional employees that we add.

>> Riley: Great.

Thanks very much.

>> Mayor Leffingwell: Okay.

Thank you very much.

Look forward to addressing this item at our regular council meeting next week.

And I look forward to (indiscernible).

>> Thank you very much.

>> Mayor Leffingwell: Now we'll go to item number 2.

Our computers are all out up here.

Maybe we should address that issue also.

Just from memory, there's one speaker signed up.

pena, did you want to speak on this item too?

We're going to take up item number 2, which is to set the public hearing.

Okay.

So council, I will entertain a motion to set the public hearing and consider the economic development ordinance with apple at MARCH 22nd, 2012 AT

[10:58:02]

4:00 P.m.

>> Cole: So move.

>> Mayor Leffingwell: Mayor pro tem so moves.

Seconded by councilmember spelman.

Any discussion?

All in favor say aye?

Opposed say no.

It passes on a vote of seven to zero.

That takes us to item number 1.

And I know there was a speaker signed up on this item, but I don't have my computer.

Do you have one, city clerk?

[One moment, please, for change in captioners] let me say that I'm a little bit -- I know you've worked very hard to develop this schedule and I fresht that, I'm a little -- I appreciate that.

I'm concerned about the council meeting, meeting weeks, and I noticed in an earlier version we had sometimes two work sessions.

That would be in addition to -- austin energy work sessions in addition to our regular work session in addition to a council meeting, and I think that's kind of a hefty meeting load for the week and I wonder if there's any possibility we can at least discuss spreading that out a bit.

You have some open meetings at the end, i notice but I'll let you speak to that.

>> Tovo: sure.

Yeah, this was a very difficult task to undertake, and my staff worked very hard along with lots of other folks.

So what we attempted to do was to schedule just one work session on meetings where we had council meetings but unfortunately that wasn't always possible, but our intent was to address some of the scheduling conflicts that arose for next week.

And I will say we also made an effort to schedule around not just council meetings that we already had on our calendar but also around council subcommittee meetings and other kinds of formal commitments that council members had.

So whenever possible we tried to schedule around things like the subcommittee on health & human services, the [inaudible] meetings, police retirement board.

That wasn't always possible but we tried to -- and in some cases we just made some errors or didn't take into account all of the scheduling conflicts.

It's probably not going to be achievable to try to schedule around all of our personal conflicts as well.

It just -- I think we would go bananas trying to navigate through that.

Again, my intent today is just to straighten out -- to straighten out what we have next week, and hopefully -- the main conflicts I've heard revolve around next week, so right now we are scheduled for monday afternoon and friday afternoon, and I believe on friday afternoon we run into the transit working group.

that's correct.

so we do need to schedule -- reschedule the friday, and I believe council member spelman has a conflict on monday afternoon that we're going to endeavor to schedule around as well here right now.

So right now we're scheduled for monday the 19th between 1:00 and 4:00 p.m.

, And our options are to -- I'm a bit challenged by not having a computer here.

So --

>> [inaudible]

>> tovo: yours working.

Unfortunately it doesn't have my calendar on it, which had our options.

Council member morrison, can you help me out at all?

Do you have -- I think -- okay.

I see it now.

I think our options for march 19 -- and I'm also going to ask the city clerk -- I believe the we we have the option of scheduling one of those two sessions on a wednesday for next week.

And our open option on 00 to 4:00.

City clerk, is that -- is 00 on wednesday still an option, if we wanted to move monday's session to wednesday's 00, would that be an option?

>> [Inaudible] wednesday, I think our biggest conflicts right now are on monday.

>> [Inaudible] well, actually we have a conflict on friday too.

So one conflict -- mayor, can you remind me what time of the transit working group is on friday?

it's 1:30 to 3:30 p.m.

one open option, which may not be a great one is that on friday we could meet from 3:00 to 6:00.

That would get us around -- largely around -- that would get us largely around the scheduling conflict on friday.

As we may have mentioned, it is a very aggressive work schedule.

i personally [inaudible] if we moved it from 00 we would hopefully is a hard stop at 6:00.

Person person ally, I might be able to be there in the middle but not at the beginning or the end.

>> Morrison: mayor?

council member morrison.

council member tovo, if I could jump in here.

>> Tovo: yes.

-- to look at some other options.

One of the things that we did manage to do except for this coming week was to only have one session during the weeks that we have a council meeting.

So one possibility, but we do have two set up for next week.

I also want to remind you that we have extra sessions scheduled, potentially, the following two -- for the two weeks at the end.

So one possibility at this point might be to only do one session next week and plan on taking up - - and shifting everything down and taking up a session during the week of april 30, if we can find one session -- a time for one session next week.

>> Spelman: mayor pro tem?

council member spelman?

I was under the impression also that in addition to wednesday from 00 -- it's written 30 to 30, I'm not sure it matters very much one way or the other, we might also consider tuesday afternoon, 00 or from 2:00 to 5:00.

I believe we have public health and human services on tuesday afternoon.

>> Spelman: okay.

it looked -- again, I'm hoping to have all of this information up here in a minute, but I think the only -- I think our best options for this week are either to stick with monday afternoon or to go to wednesday or to go to a later time on friday, and if we want to do two work sessions we're going to need to do a couple of those things.

If we're content to do one, just know that that will throw all of our sessions off for the rest -- you know, for the rest of it.

But we do have those extra sessions built in.

I am a little nervous about getting off schedule right at the outset, but, you know, I think we can manage that if we need to.

So wednesday -- wednesday might be a good option for the friday session, and then I guess the question would be, do we want to -- do we want to try to meet friday anyway and keep on schedule.

council member tovo, I guess we're getting questions about monday morning.

Is that a conflict?

Well, I guess we already have a session on monday afternoon.

>> Tovo: right.

I'm not sure that there's room availability.

So city clerk is -- room availability on monday, maybe.

I believe that may be a conflict on monday morning.

we have priority over any -- the chamber, the board room shouldn't --

>> if you're talking about -- actually I do think that monday morning is a good option.

so we solved next week?

Did we do that?

city clerk, is that correct?

>> Monday on march 19 you are tentatively booked in 30 all the way until mid-afternoon.

>> Cole: okay.

>> So that's an option.

do we want to keep on that one and do it, say, from 9:30 to 12:30?

How does that sound?

Okay.

So we'll change monday afternoon schedule to monday 30 and then we do victim friday issue of it -- have the friday issue of it conflicting with the transportation work group, so we could move

that one to wednesday, and I believe we are tentatively booked on wednesday -- and is that in the morning, city clerk?

>> Yes, you are booked 30 until 12:30.

30 30 on wednesday as well?

Any major conflicts, colleagues?

although I can rearrange my schedule, i am -- I want us to reconsider that idea that you mentioned at the outset, that we only have one meeting on austin energy rates on any week where we also have a city council meeting and therefore a work session and therefore a lot of other things on our minds.

And it seems to me we'd be more productive if we were going to have two meetings in a week, we'd make sure those two meetings were in a week when we didn't have another hundred agenda items to consider.

I would actually be very comfortable, even though it might throw the schedule off by half a week, just having a meeting on monday morning for austin austin energy rates and letting the second meeting slide until the next week where we don't have a hundred other agendas items to think about.

>> Tovo: that makes sense.

We won't -- we need time to prepare and be engaged.

So that makes good sense.

So is monday -- does monday 30 monday morning?

Okay.

So -- coal are you saying monday the following week?

this would be monday the 19th.

I think we've agreed on monday the 19th.

Are you looking for us to actually make moaptions on these?

>> Yeah, we'll have to include the work plan to 30 to 30, to cut monday afternoon scheduled meeting and then to cut the meeting that we currently have scheduled on our approved work schedule for --

>> I can't make monday morning.

>> Tovo: the 23rd.

>> Morrison: mayor?

We also have -- can't be here monday morning.

we also have the option next week if we're going to choose one meeting, to have it 30 30 instead of monday morning.

okay, and I do have a -- I do have a police retirement board at 11:30.

So I would need to leave early from that one.

mayor, why don't we have -- just talk about the scheduling in general and have some ground rules like we did with our specially called session, and if we say that we have a conflict, then we go to the discussion of trying to honor that, but if we don't say we have a conflict, then we don't go through that discussion, even if we decided that we're not going to be able to make that meeting.

Can we agree that we'll do that, rather than just, i have a conflict -- I'm assuming that everybody that says "i have a conflict"

really is going to make that meeting issues but I'm not going to say I have a conflict unless I definitely am going to make that meeting and I want all of us to be in agreement about that, not a potential item.

were you asking me?

>> Cole: yeah.

[Laughter] and the question was, don't say I have a conflict if I plan to make the meeting or -- [laughter] well, I just want all of us to agree that we won't get into this -- I'm looking at my calendar and I'm thinking oh, I can't make -- I might decide to go to that and if I decide to, I don't want to end up in a discussion of moving the meeting.

So if I say I have a conflict that means I really want to go to that meeting and I really want to reschedule it because I think we're doing some rescheduling -- yeah, I think we all assume that we want to go to the meetings.

yeah, but we have a conflict.

So we had agreed to have a 30 30 so the question is, does anybody have a conflict with that?

You do.

And so you'd like us to try to reschedule it?

Council member tovo?

I was going to ask the mayor, do you have -- i know council member spelman's conflict kicks in at 2:30.

Is there a window that we 30 working backwards to 30 -- mayor, would that resolve your conflict if we met from 10:30 to 1:30?

let me look.

>> Tovo: right.

This is excruciating, i know, but this is why we're resolving the first week's schedule and hopefully none other.

yeah, monday afternoon, the 19th -- well, if we 30 to 30, we're trying to preserve as much time there as possible for council member spelman and you to both attend.

no, i have a conflict there over the noon hour, but I can step out.

my class is at 00, and although I could probably move the timing of the class around a little bit, not very much -- it's a three-hour class so it's a 00 is fairly hard.

Perhaps we could revisit wednesday afternoon.

i think wednesday afternoon is good for me.

I believe there's a police retirement board meeting; is that correct, council mem tovo?

I think I'll be back by 1:00ish, 1:30ish.

So that probably would work.

City clerk, are we open in one of the chambers from 2:00 to 5:00?

>> I believe that we can put you in the chambers from 00 on wednesday, march 21.

>> Tovo: okay.

00, how does that sound, wednesday?

Okay.

So then the motion which I'm going to make is that we amend our schedule for council work sessions to 00 to , and replace it 00 , and that we delete 00 and we will have to recalculate the rest of the schedule and come back and fill in one of those -- oh, well, let me make my motion

include that all of our sessions will shift -- all of the topics will shift by one to reflect our gap in schedule this week and recouping it on the end.

we'll keep them in the same order, they're just shifting down in time.

>> Tovo: yeah.

>> Spelman: okay.

Thank you.

Spec'ed.

I just want to say when we -- first started talking about these work sessions -- I don't know what's wrong with my mic, but it might not be possible for everyone to make every part of these meetings, but we can send a member of our staff to monitor the meeting and report [inaudible].

That's going to be [inaudible] [technical difficulties]

>> tovo: I completely agree.

I think we'll all have some conflict at some point.

But I certainly appreciate everybody's commitment to try to make it to all of them, or as possible.

>> Martinez: mayor?

I'm going to go ahead and second the motion that council member tovo made, but I'm glad you made those comments at the end because wednesday is completely wiped out for me except for maybe 40 minutes.

But I'm not going to can us to change that -- to ask us to change that because whatever date we change it to I or somebody else will have a conflict.

I certainly want to be at every one of these work sessions and I will make every effort to be here, but if I'm not, as the mayor said, my staff will be.

We will certainly be a part of any final decisions that are made.

So I'm supporting it.

I'm glad that it works out for everybody on wednesday, but it doesn't work for me, and that's okay, because there are going to be other days that work better for me and not so good for you all.

We just have to make our best efforts on this.

And I appreciate everybody for trying to do that.

and again, I think that was the intent from the beginning, that we do the best that we could to ensure maximum participation but it wasn't always going to be possible.

Council member morrison?

>> Morrison: thank you.

Since we're shifting all of them, we do need to add -- or settle on a date for the last work session now, which is going to be the week of april 30.

So I'd like to go ahead and amend -- make a motion to -- or suggest a friendly amendment that we also add one of those dates.

There are several that are possible at this point instead of having to go through this again.

So I'll just start at the top and suggest that we also add monday, april 30 from 9:00 to 12:00.

And there's a lot of flexibility there, but i just wanted to get that started and hope that we can nail that down here also.

>> Cole: mayor?

mayor pro tem.

I also have another friendly amendment, but it does not involve changing of dates.

did we say --

>> cole: oh, I'm sorry.

I thought -- 30 to 12:30 if that's betterment.

30 to 30 sounds great and does it conflict with any council meetings we haven't contemplated?

I think that's a good time.

So yes, I accept april 30, 9:30 to 12:30.

>> And the chambers are open for your use at that time.

all right.

I have -- want to make a friendly amendment that on session 6 we only have one item, and then i have -- I want to definitely be able to attend portions of section 8 where we're considering the rates for specific types of customers, and the customer assistance program.

So I would like to make an amendment that we move those two discussion items to session 6, and on session 8 would just be remaining green energy topics.

mayor pro tem, my concern about that is that we're moving into a whole new section.

We really wanted cost of service to be its own session because it's so complicated, and I think it's going -- I think we're going to be hard-pressed to really get through our dialogue in that one session on that one issue.

And so before we move into rate design I would say that we probably should keep that discussion fairly focused.

I have a transportation trip -- you know, I sit on two transportation boards.

Is there another date that we could discuss the rates for specific customers [inaudible] communities of school districts and the customer assistance program?

I think all of those go together.

there might be, and I wonder if it might be possible to look at it maybe off-line.

I think we would have to look at moving -- I think we'd have to think about moving and creating another session, and that might be something that we would do a better job of off-line.

>> Cole: paying for my trip?

[Laughter] okay.

That's fine, mayor.

do you think that would work, if we could figure out the dates?

i think that far out in time there are plenty of opportunities to amend the schedule as conflicts come up.

>> Cole: okay.

and we do also need -- since we are recapturing, I'm going to make a friendly amendment to my own motion, the auditor points out that the auditor report is not scheduled to be completed until the end of april; is that correct?

The end of april?

And we have -- we have scheduled him about a month early.

So we'll need to add him in.

He is right now -- right now we're scheduled on session 5 to have consideration of the auditor's report on our adopted work plan, and so i am also going to propose that we eliminate that item from session 5 and move it instead to session.

>> 8.

no, not session 8, to our first extra session on april 30, which I think is our earliest opportunity.

and again, the auditor, as i recall, stated that as a goal, that he would have that report.

And again, it may be necessary to amend that discussion as well.

so ynt I do leave -- why don't I leave it open to our extra session or later.

>> Mayor leffingwell: okay.

I was going to say, does everybody understand the motion, but I'll say does anybody understand the motion?

[Laughter]

>> tovo: shall I recap?

yeah, recap.

>> Tovo: okay.

For next week we are striking our monday morning -- excuse me, our monday session and our friday session and replacing it with a wednesday session from 9:30 to 12:30.

We're adding in april 30 as our -- maybe I should start again.

Okay.

We are eliminating our monday and our friday session as scheduled for next week and we placing it with -- replacing it with wednesday from 2:00 to 5:00.

We're also adding an 00 00, and that -- and the auditor's report will be eliminated from session 5 and added into our first extra session or later.

>> Morrison: mayor?

council member morrison.

what I had recorded our motion was, it actually was april 30 from 9:30 to 12:30.

i think that's correct.

That's what I recall also.

>> Tovo: thank you, yes.

And likewise we're shifting all topics to one session later than described on our adoptive work plan.

all right.

That motion -- who was the second on this?

Council member martinez?

I think all those friendly amendments are satisfactory with everyone, so is there anymore discussion on this item?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

So with that I think that completes our agenda for today, so without objection we stand adjourned at 11:25.

>> Leffingwell: Good morning.

I'm austin mayor lee leffingwell and a quorum of the council is present.

I'm going to call this special called meeting of the austin city council to order on thursday, march 15th, 2012 at 10:07 a.m.

We're meeting in the council chambers, austin city hall, 301 west second street, austin, texas.

Without objection, council, I would like to go in reverse order and take the briefing first and then take up item 2 to set the public hearing.

And last take up item number 1.

So with that, we'll go ahead with our presentation.

>> Thank you, mayor, city council.

Kevin Johns, director of economic growth and redevelopment services.

I thank you for taking time from your busy schedules over the spring break.

It wasn't just the spring break, but it was also the ides of march that made me worry about everyone attending the meeting.

This is a presentation that we're delighted to make for apple expansion.

Representing apple here today is Terry Ryan, who is their senior tax consultant, also Jason Lundguard, their governmental affairs director.

And Glen Golden, who is the site director for Austin.

He's a local Austinite.

We also have from staff Veronica Laura.

We've got Lucy Goldbreath from Capital Metro and Jacqueline Collins who helped us do the legal work.

So the presentation gives you an overview of the economic development proposal.

The purpose of today's briefing is to present an overview of Apple's review of the matrix criteria and score, a summary of the fiscal analysis, compilation of the benefits and review of the proposed agreement.

Apple is a publicly traded company founded in 1976, so it's a bicentennial American company.

The company is based in Cupertino and it is the world's leading designer and manufacturer of personal computers, portable digital musical players and sells a variety of musical and third party applications.

The company worldwide has 63,000 employees.

Here it has 3100 employees.

As our process moves forward, as you know, we did an economic development matrix evaluation and we looked at these five categories.

The overall economic impact, the linkages to the local economy, infrastructure impact, character of jobs and labor force practices and quality of life, cultural activities and then the web loci analysis.

I'll break it down into these two points.

Apple scored 100 out of 100 on the developmental matrix.

That is based on the following that austin will develop its presence by developing its 1,000,002 square feet 282-million-dollar investment americas operations center in austin.

A apple will create 3,635 new jobs over a 10 year period while retaining the company's existing 3100 austin-based employees to bring us close to 6,700 apple employees.

Apple offers a comprehensive benefits package, including health insurance, domestic partnership benefits and tuition reimbursement.

The loci analysis summary is as follows.

What we're proposing is 6 million over 10 years.

The total direct benefits are 8 million to the city.

Total costs are 2 million to the city over the 10 years.

And subtracting the two leaves a net benefit of 6 million to the city net benefit.

Contractual obligations are outlined here.

These include the establishment of the americas operations center in austin, which includes north america, south america, latin america.

The investment of 5 million to construct up to 1 million square feet of new office space, create and maintain up to 3,635 new full time jobs with an average annual wage of 63,950, while maintaining the 3100 full-time employees in austin.

Some of the other contractual agreements include working with local organizations to expand the pool of diverse candidates and recruitment efforts, the diversity policy, comply with the minority business enterprises requirements and the design and construction of the center, and comply with all city codes, including the water quality regulations.

So today we are just setting the public hearing, making the presentation so the public can comment on the proposal.

And then we would have the march 22nd public hearing in which there would be a decision and public feedback.

Beginning march 19th, public comments will be received, which is generally well received.

With that I would be happy to take any questions or we have apple representatives here and other staff.

Thank you very much.

>> Mayor Leffingwell: [Inaudible].

One speaker signed up on item number 3.

Gus pena.

[Inaudible]

>> morning, mayor, councilmembers.

ott, gus pena, proud east austin native, proud united states marine corps veteran and you have heard me throughout the years, councilmember spelman when you ran for office in '97, economic development.

We need jobs everywhere.

But I'm proud to say that apple has always been on our radar screen.

A lot of people may not think we're rocket scientists out there in east austin, but we are and we have a lot of astute, educated, intelligent people out there that are seeking jobs for the people, especially for our kids.

What kind of future do we have for our kids if we don't have economic development and jobs, but better training for our kids to be able to be employed in this type of job development.

It's good.

I know -- I don't know anybody that would not support it.

I don't know the specifics, but I do know one thing that caught my eye, and I believe it's going to be some need for also spanish speakers and that's great because we have to be inclusive for everybody.

I want to tell you something and I hope you are not shocked at it, but I'm in the process of learning far si and mandarin.

I told lucio you need to learn it too because we're going to need it.

I want to thank you for allowing me to speak and for the representatives from apple.

And we need to be educated.

Anyway, job well done on this, mayor, councilmembers, mr. ott.

We need this and we wholeheartedly support it.

Gustavo garcia-spillar, let's get our young people trained and educated for the future.

>> Mayor Leffingwell: There was a computer glitch on the agenda, so all the items signed up on number 2 really meant to sign up on number 3, so I'll call those now.

Greg (indiscernible).

>> Morning, council.

My name is greg cassar and I'm part of the project and we have about a thousand low wage workers, mostly construction workers and I've testified at council several times about the serious dangers in the construction industry and how it's arguably the most dangerous industry in austin.

We know this will be a really large project over 10 years over a million square feet of office space will be built.

And I know that this is bringing a lot of really good jobs to austin and we're happy to hear about those and I'm pretty sure that in the presentation the averages that are being shown and the numbers being shown don't include the hundreds of construction jobs that will be created by this.

So we really would look forward to an opportunity to speak with glen or whoever else from apple to have a serious discussion about what kinds of standards they're setting on this -- such a large project that the city is endorsing.

After the serious accident at f 1 recently and several reports you've been hearing from downtown projects that are happening right now about people not following federal safety laws or even the city's own coordinates, we really want to sit down and have a conversation about how workers will be created, not only contractors, but workers, how they'll be trained and to see if their wages will be anything close to decent because even though it will be bringing middle class jobs here, we know that often times it's the construction work that's ignored.

So I thank you so much for your time.

>> Mayor Leffingwell: Dave porter.

Dave signed up for and has three minutes.

>> Morning, mayor, councilmembers.

Dave porter with the greater austin chamber.

First of all, I too want to thank you for coming in on your spring break for this incredible opportunity that we have before us.

Th is a huge deal.

This is what we consider to be one of the deals of the decades.

About once a decade we get an opportunity to work a significant project.

Last decade it was the samsung deal.

This decade even though we're still early in the decade, we have an opportunity here with apple.

But this is a significant project, but I should remind you this is still very much a competitive situation.

This is not a done deal for austin.

The process that we go through makes it appear to the public that this may be a done deal, but by no means is this a done deal.

We're still very much in a competitive situation to land this project.

To have the globe's largest tech company put their operations center of the americas here in austin is huge.

That covers north america, south america, latin america.

These are going to be jobs all over the board.

It's not just 3600 software jobs.

These are jobs that are going to be in hr, finance, entry level.

So this is going to be a huge benefit to our community and allow a great opportunity for employment in many sectors of our community.

So this is a wonderful opportunity and we hope that you do the right thing next week and that apple selects austin for this project.

Thank you.

>> Mayor Leffingwell: Ken vinson.

Signed up in favor.

You have three minutes.

>> Mayor, mayor pro tem, councilmembers, my name is ben rothlisberger son and i am on the board of united way capital area and was -- the last two years I have been chairman of the campaign.

And on behalf of united way and the thousands of nonprofits we have here in our vibrant community, I'm speaking to welcome apple to expand your presence in our community.

I think it's going to be a tremendous addition to our community.

As part of apple's presence here, we would like to ask council to direct city staff to consider negotiating with apple, including within this development agreement the opportunity for an employee charitable campaign with perry world productions to be operated with all of the apple employees within central texas.

We found through past experience that charitable campaigns that enable payroll deduction make it easier for employees to serve as philanthropists and get engaged in philanthropy in our community.

There are many campaigns we run here locally that have payroll deduction.

, enterprise rental car, samsung, austin semiconductor, applied materials and many other employers take advantage of this opportunity today and we would like to ask that you negotiate this with apple as well as an opportunity for us to expand the opportunity for apple employees to participate charitably in our community.

Thank you.

Charitably in our community.

>> Mayor Leffingwell: Thank you.

I believe there will be a discussion of charitable opportunities that apple employees to its employees.

And we'll ask that question when we get through.

>> Thank you, mayor.

>> Cole: Mayor, I have a couple of questions for mr. benson.

Thank you for coming out and bringing the issue forward about charitable contributions.

I have spoken previously with some of the apple representatives about that, but I think it's a good time right now to point out some of the needs of our community.

We know the face of our community is changing.

It is moving from predominantly an anglo face to a minority face.

And that is true for not only austin, but the entire central texas region.

I believe that apple will be located -- the school district will be in round rock, but that doesn't change our need to help the schools and for other charitable needs.

So my question to you is i know you've been involved in the charitable community, the philanthropic community for a long time.

What do you see as some of the needs of that community?

>> Within the united way right now we are focused on a campaign to end poverty in our community.

Now, we know that that is a big, far-reaching goal, but we have three focus areas for united way, education, income and health as opportunities for us to reduce the impact of poverty, help move citizens out of poverty because this is a wonderful community.

This week in south by southwest we're experiencing how great it is to live here and yet there are people in our community today who don't get to enjoy the benefits of our vibrant economy.

In united way we run programs and we fund other nonprofits that are involved in reducing and eliminating poverty.

>> Cole: benson, i know that you are the current chair of united way, but I also know that you served on other nonprofits.

We aren't here today to just promote one particular nonprofit.

We want to make sure that everyone knows about the needs of our entire community and that bringing a company like this here regardless of the specifics of how they negotiate with people who make employee contributions is important.

And I will ask them about what they intend to do.

But talk about your focus on poverty, education and health.

How did that come about?

>> What we did, united way capital area represents nonprofits within central texas.

And united way capital area we are part of united way worldwide that does research on how best to reduce poverty in the community.

And what we've found is of those -- of all the things we could do to address poverty, that the key core issues were education, how do we ensure that all of our children have the opportunity to get access to education?

Today most school children in central texas have some form of a preschool before they start out in kindergarten in public school, but there are children who do not.

And as a result those children who don't have the opportunity for preschool prior to kindergarten wind up languishing during the entire education career.

We start the success by six initiative to give children the opportunity to be fully prepared to enter into kindergarten.

Within income we have programs that are designed to help transition the working poor into job skills and to give them the type of training they need to be able to thrive and to expand their ability to earn good jobs.

And within health, right now as you know, united way capital area hundreds 211 and we run the largest health care referral system within texas by running 211.

>> Cole: Okay.

Thank you.

>> Thank you.

>> Mayor Leffingwell: We also have adriana cruz and mike rollins signed up in favor, not wishing to speak.

So council, several people out here that will available for questions if you have any.

Councilmember martinez.

>> Martinez: Thank you, mayor.

I did want to ask some questions of a representative of apple, some of the points that were made.

In certain previous agreements these issues have come up and the council has taken some policy stances, maybe not necessarily with agreements of this size.

But obviously where the city participates, we want to ensure that all of our values are part of any agreement.

So one of the speakers brought up the point of construction site safety procedures.

I wanted you to just explain to us what type of procedures apple will employ to ensure construction safety for workers.

And then also whether or not this agreement contemplates a certain floor on the level of wages for those construction workers.

>> So obviously worker safety is an issue that is extremely important.

We're happy to have that conversation offline.

I don't have the specifics of how that is going to be structured and dealt with, but I'd be happy to follow up on that.

>> Martinez: Great.

So you would be willing to meet with the workers defense project and other folks that have raised these concerns and could potentially have some input as to their experiences here in town and what we can do to improve worker safety?

>> Yeah.

I'll certainly need to bring that back to the people working particularly on the project, but yeah.

>> And so is there anything in the agreement that speaks to austin's living wage for construction workers and/or employees of apple?

>> So there is definitely -- there is definitely an aspect of the agreement that talk to the wages that apple will be providing.

That's laid out in the schedule regarding the annual wages of the jobs that we're going to be providing as well as the wages for the lowest 10% of the workforce that we're planning on hiring.

So that is all laid out in the agreement in front of you.

>> Martinez: Kevin, i wanted to ask you, in your negotiations thus far have we discussed any of the wages for the construction that will happen on site?

>> We've had a thorough discussion of the employees and the average wage of 63,950.

And the lowest wages -- the lowest 10% of the wages is 35,000.

But to the best of my knowledge we have not had discussions about the construction, the construction community and their wages.

>> Martinez: I would encourage that moving forward that we bring that to the table and at least discuss those items in terms of what apple is willing to contemplate and/or what this council is willing to contemplate.

>> The apple representatives have been just really wonderful to work with.

I'm sure they would be very open to those discussions.

>> Martinez: Thank you.

Thanks, mayor.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I would like to ask a couple of questions of the apple representative.

We appreciate the fact that you're bringing jobs and actually going to employ austinites and that you're bringing jobs that are not just for the very highly educated, but also people that would go to a.c.c.

Can you talk about your potential relationship with ?

will benefit immensely from this deal and increased revenues coming into the district.

We participate with local districts and education partners all the time, but we have not laid out specifics about what we intend to do with the district.

>> Cole: Can you talk about when you come to a city that you've been to before as opposed to what might happen here -- i realize this agreement is pending, but what kind of benefit do you see from the local colleges or community colleges.

>> Benefit from or to?

>> Cole: To and from.

They obviously must benefit from the job opportunities, but is there any specific efforts that you make in other locations to make sure that that happens?

>> Obviously, the relationship goes both ways, right?

We benefit from excellent educational facilities that provide flow and workers and we think that the jobs that we're providing also are a great opportunity for individuals coming out of those educational institutions.

>> Cole: Do you have to make any decisions about the specifics of a degree program that you're looking for?

Is there something that we in austin are obviously doing right that we need to think about continue to go do that made you consider coming to austin?

>> I don't think we have anything in mind regarding specific degree programs, but we're happy to have those conversations ongoing.

>> Cole: Okay.

Now, can you talk a little bit about your charitable giving program?

>> Sure.

And again, we're happy to follow up with the gentleman from united way.

Really the heart of his question was what is apple going to do to empower their workers to be involved in the community.

In addition to our community affairs organization which helps kind of organize volunteer opportunity for some of our workers.

We do offer what I believe is a very generous employee matching program.

We match up to charitable donations of up to \$10,000 per employee per year for charitable causes that they want to get involved in.

>> Cole: Okay.

I asked those two lines of questions because our community colleges do a lot of the heavy lifting in austin and the surrounding areas, especially for the underemployment and unemployed.

So I hope that y'all have a very strong relationship and that you make contact with them, assuming that this agreement is completed.

And I'm glad that you're happy to meet with and talk to the gentleman that was here about an employee charitable program.

Thank you.

>> Thank you.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I have a few questions, some for you and some for mr. johns.

I want to echo my colleague's questions and their good points.

I concur that those would be good areas to employer and especially with regard to the community college.

I wanted to ask more questions about the job.

In looking at the schedule laid out on -- in the business information form i see that there are 1500 jobs contemplated.

I want to get a sense of what kind of jobs those could be.

>> I think the jobs that we'll locate here will run the gamut.

We will have some consumer support type positions, which I think will make up some of that 1500 positions.

>> Tovo: Great.

And in terms of a more skilled position, in your jobs and others, do you feel like there is a good strong pool of applicant -- of qualified applicants here in central texas?

>> Yes.

I think that's one of the things that made austin a good -- a city that we are going to look at when we are exploring our options as far as where to place these, where to locate these jobs.

So that was definitely a selling point of the city.

>> Tovo: Then I hope -- again, I just want to echo mayor pro tem cole's suggestion that you work with the community colleges to make sure that there are individual in the pipeline who would be well qualified for these positions.

I think that would be a good benefit for your company as well as for those individuals.

And so I did some reading about the kind of training you provide to your employers.

How would somebody that begins at your company in one of the entry level positions, what might be their path upward?

What kind of training benefit would be eligible for and how might they move, progress on up in a career path.

>> We offer both training related to a specific position that we hire towards, we offer kind of customizable training programs through our apple university program and then we also offer tuition reimbursement education assistance program for people who want to continue their education, whether it's pursuing an initial degree or advanced degree that will help them with their career path.

>> Tovo: Okay.

Thanks.

These may be questions for either one of you.

I notice in the contracts that there are some provisions for not having more than 25% contract employees.

And I wondered if -- and i think that includes existing and new employees.

Do you have a number for how many contract employees are currently employed by apple here in austin?

>> I do not.

>> Tovo: Maybe for the public hearing we could talk about that.

In the firm based criteria section it talks about one of the staff assessments that are -- that your expansion here, significant expansion here could seed other kinds of businesses and encourage them to locate.

I wonder if you could give us some sense of what will be other businesses that could locate here as a result of your significant expansion.

>> I don't want to speculate too much on that front, but obviously there are a host of services, business services that tend to gravitate towards where large employers are.

So there's a whole host of catering, other just business services that would view apple as attractive potential customer and might look kindly upon moving towards that location.

In addition to just other businesses that will utilize workers with the same skill sets.

We'll find a community of kind of a workforce that's skilled in the area that they need as an attractive proposition.

>> Tovo: Great.

And with regard to the location, the agreement talks about the parmer location or another location.

And I didn't know if you had any other particular locations in mind if the parmer location doesn't work out?

>> I do not, no.

>> Tovo: So at this point the plan is to expand out there and to do your construction up there, but is there a possibility -- since it's written into the proposed agreement that it might be another location, do you think there is a significant potential that you would locate somewhere else?

>> I can't really comment on that.

>> Tovo: Okay.

All right.

Thanks very much.

Johns, I think my other questions are for you.

Just a couple of quick ones.

The threshold levels, I think I understand from some of the discussions that my office has had with your office that there have been a couple other companies who have gotten 100% property tax --

>> in recent years Samsung.

Samsung is the primary company that's received 100%.

And I have the amount of their investment.

Of course, I think we all kind of know that it was in excess of -- it was several billion dollars.

5 billion and 700 jobs.

>> Tovo: Thank you for that comparison.

Okay.

I think that's it for now.

Thank you and thank you again.

For the information.

>> Mayor Leffingwell: Councilmember Spelman.

>> Spelman: You're close, let me ask you first.

First I'd like to congratulate you on making all of the basic documents associated with this proposal available online.

I was just looking for them a few moments ago and i found everything I was looking for.

So I'm really happy it's available to us and I'm very happy it's available for the public to look at right away.

>> Thank you.

>> Spelman: I also congratulate you on your wisdom in not actually passing them out to us because then we would actually ask you questions about them.

Unfortunately I was too smart for you and I went up online and found them, so let me ask you a couple of questions about the stuff which only shows up on line which you didn't present a few minutes ago.

I'm looking at the major category report for the web loci analysis, which is your summary of all of the benefits of the proposal and all of the costs of this proposal on a year-by-year basis starting in year zero, which is presumably next calendar year and going to 2014.

>> That's correct.

>> Spelman: And we have benefits including sales taxes, property taxes, franchise fees and so on.

All of the different ways we collect money from folks in order to provide them with services.

And then all the of costs are the services that we're providing.

And I'm guessing we have large numbers of property taxes here for year 1, 2, 3, 4 and so on.

Am I right in believing these are not property taxes we would be collecting directly from apple, but property taxes we would be collecting from apple's employees?

>> If I understand your question correctly, you're asking if -- why we're not providing incentives the first four years or are you asking whether the -- within the loci analysis there is -- we're collecting property taxes -- we are collecting property taxes and/or taxes from the employees?

>> Spelman: Sure.

>> Sue reminds me that it's just for construction.

For the first four years --

>> Spelman: First four years are just during construction.

Presumably apple will not be hiring anybody during the first four years?

>> That's correct.

They have to build the 200,000 square foot building first to house the people.

So the -- there's a ramp-up period where the city is not going to be paying incentives until they have received their certificate of occupancy for the first 200,000 -- for the phase one because they'll need a building to move into.

So we've structured the first four years where we're not paying incentives.

And then after their certificate of occupancy kicks into gear.

And year one it's 300 jobs.

Year two 300 jobs.

Year three a minimum of 50 jobs for a total of 650.

And then there's the base.

>> Spelman: Gotcha.

So the benefits for year zero through three are benefits only associated with construction.

>> That's right.

>> Spelman: That's why there are no costs associated with year zero through three.

>> Right.

>> Spelman: What assumptions are we making about the construction workforce both from the construction angle and from the apple side?

Presumably we're taking into account they will have to hire construction workers to build the building, right?

>> Yes.

>> Spelman: What assumption are we making about who these guys are and what they're getting paid?

>> I haven't really broken that down.

I can ask eve richter who put the loci analysis together for apple to dig into that a little bit with you here if you wish.

>> Spelman: She happens to be right behind you.

>> We did discuss if this came up, so I'm not surprised.

>> Those construction figures are simply for cost and materials and non-inclusive of labor.

So we actually do not consider the cost of labor in the analysis for construction as it is not taxable.

We are looking at those amounts that we can draw taxes from.

>> Spelman: so presumably if people get paid, they'll spend more money, they'll live in better places, their property taxes will probably increase, but you're not including any of that stuff.

>> We don't -- no, we don't include labor.

>> Spelman: Okay.

This is just for materials.

Tell me about how you're incorporating the -- walk through me real briefly -- we don't need details and i know you know more about this than any of us have time for, but what you would summarize the primary benefits and the primary costs that I see in front of me on this report are?

What roughly are the benefits about?

Who do we get them from?

>> The benefits come both from the construction of the new facility as well as from the employees that they will begin hiring in year four.

So the costs kick in in year four when they start hiring employees.

Those are not specific to apple.

They're the same as it would be for any employee, just average cost of having a person in austin.

>> Spelman: Okay.

So one more person living in austin is going to cause us to have to provide services to them.

>> Certain benefits and certain costs.

>> Spelman: Gotcha.

Why is there a -- the benefits are greater than the costs at the end of the day.

89 Versus 76.

>> That's correct.

>> Spelman: Does the 76 6 million of grants to apple?

>> The costs do.

The 8.6 is our incentive.

That's the property tax rebate.

>> Spelman: Where do i find the incentive line?

>> That's under costs.

It's the first line called support.

>> Spelman: Okay.

So support means support to apple.

>> That's correct.

>> Spelman: Gotcha.

And I could reasonably presume that that support to apple is equivalent to the amount of property taxes that apple would otherwise be paying us.

>> That is the real property and personal property.

So business equipment.

>> Spelman: Gotcha.

And that would not be showing up in the benefits line.

We're not double counting it here.

>> No.

The benefits line of -- we're not double counting.

The benefits line includes those taxes, but you'll see the exact amount of the property taxes does not equal the exact amount of the support because those taxes in that line starting year four include property taxes from the employees.

So the homes that they purchase and things that they have as well.

But not the first few years because that's just construction.

>> Spelman: so I'm looking at year five, for example.

Property taxes for year five on the benefits side are 1.4.

Are these actual dollars?

\$1.4 Million.

>> That's correct.

>> Spelman: And then support costs are \$838,000.

>> That's correct.

So we break those out and calculate them separately.

>> Spelman: Right.

4, 838 is actually apple's property taxes.

The remainder is employee property taxes.

>> That's correct.

>> Spelman: Okay.

What assumptions are we making then -- so we have apple counting two places.

The benefits we're taking it in, but the costs we have to bring back out again.

>> Correct.

>> Spelman: Okay.

What assumptions are we making about how many of the people that apple is hiring are already living here and how many of them will be moving from cupertino and how many will take the jobs because they're available here?

>> The web loci analysis we of sources including capcog and the cam chamber and other resources to figure out how many people who take a job in austin are from austin and how many are commuting in from other places.

So there's a black box calculating that somewhere in there, but we've put in our assumptions based on our community inputs.

Those are the same for every project.

Web loci is not sophisticated enough to go by where the actual location of the facility is.

We also -- it's just the inputs.

>> Spelman: Okay.

But the inputs are based on our experience in austin, texas.

--

>> we have to state those annually, yes.

>> Spelman: So I opened up a shop and hired 100 people, some of the people already lived here, some of the people are moving from nebraska and some of the people I'm importing from someplace else.

And that's taken into account based on our experience with similar companies.

>> Roughly.

There's also the unemployment rate is filtered in there as well.

So how many people were previously unemployed, how many people already lived here, how many came in from other counties.

>> Spelman: So if your unemployment rate were two and a half percent like it was four or five years ago, that would assume most of these people would be coming from someplace else because we haven't got that big after labor pool to work with.

>> I'm not privy to the black box calculations that web loci does.

We do that with every project.

How many people live here or will move here from surrounding counties or elsewhere is annually updated.

>> Spelman: Okay.

And if you put in a different unemployment rate, if our unemployment rate went down, presumably more people would be moving in, not -- we would be hiring fewer people who are currently living in austin texas, we would be hiring more people from outside.

>> I believe our benefits go down slightly in that case.

>> Spelman: Okay.

They would.

Do we have a sense for what percentage of the people web loci is calculating would be moving in to austin, texas to take these jobs or is that something it doesn't report?

>> We typically use the companies -- how many they plan to hire locally.

That gets figured in.

And then -- no, actually, it doesn't.

It's the web loci that calculates that.

I could get that input number for you.

>> Spelman: Okay.

I'll ask you for it offline.

That would be very helpful.

Thanks, eve.

I'd like to ask the fellow from apple a couple of questions if I could.

>> Spelman: I wanted to get more detail to verify what I think is true.

You're talking about mostly back office operations in an operations center.

And you mentioned human resources people, you mentioned I think accounting staff and then customer support.

They have college degrees.

They have aa's, what kind of training particular skills do they need, that sort of thing?

>> I think obviously given that this will deal with the customer support jobs will deal with both north and south america, so language skills are very important.

The level of education i think is kind of -- runs the gamut as far as what is definitely required, but i can't give you a firm answer on that, but I'd be happy to follow up with you on that question.

>> Spelman: When you say that 50% of the local executives would be hired local -- which is high.

I wouldn't think you would be hiring 50% of your executive staff locally, but over the course of 10 years, 75% of your managers locally and 90% of the supervisors, 85% of your staff, staff level jobs and 99% of your entry level jobs.

These sound like really, really good numbers which can help us a tremendous amount with our own unemployment rate, which although lower than most other cities, is still higher than we're used to around here.

When you say locally higher, that means that you're going to be hosting the job locally, doing interviews locally, but we can't be absolutely certain that 90% of your supervisors are actually going to be living in austin, texas right now, is that right?

>> Yes, that's my understanding.

>> Spelman: Is there anything you can tell us about the likelihood from your point of view that the supervisors, the staff level people, the entry level people, are actually going to be austin residents as opposed to people who moved here from nebraska because they heard there were jobs here?

They really want to work for apple.

>> Right.

I think our intent is to hire locally to the extent possible.

And I think the numbers that we submitted reflect that commitment.

Obviously when it comes to some of the rules there would be a preference.

People who have been working for apple and hiring from within is obviously -- would be a priority as well.

So I think there's kind of a natural progression of as those new jobs come, people who have experience with the company and might be more likely to take supervisor type positions, then I think that is reflected in the numbers as well.

>> Spelman: That's a very good thing.

I imagine it helps you keep your employees for a longer period.

So -- this is probably one of those offline calculations that eve and her magic program will help us figure out, but my best guess is that although we're going to be hiring 99% of the entry level

positions in austin, texas, 99% of the people you hire will not currently be residents of austin, texas.

There will be some watering down of that.

That impressive and valuable effect that you will be having on our unemployment rate.

And although I'm going to try to figure out just how much watering down there's going to be, it sounds to me that the fact that you're hiring so many people over a 10 year period locally is a very, very good thing for our economy and for our workforce and people.

>> I think it's a valuable point.

Even if people are coming from surrounding communities, the impact on austin, the benefit to the city and the city's residents is going to be real.

Those people are still going to be buying things in austin stores, they're still going to be eating at austin president rants and there will be definitely positive benefits even if people come from outside of the city itself.

>> Spelman: And eve, i won't ask you to come up.

Just nod your head because I'm almost sure I'm right.

All of those secondary effects of having more money in people's pockets and therefore buying more goods, going to restaurants more often, all that stuff is not taken into account in the web loci analysis, is that correct?

Oh, it is?

In that case we'll have to have a little bit more.

Thank you, sir.

I will have to ask eve this.

Tell me, eve, I thought there were no multiplier effects here.

>> [Inaudible - no mic].

>> There are no multiplier effects, but it does take into account some amount of spending.

That's why we include factors such as disposable income.

There are no multipliers, so it doesn't take into account the secondary jobs created, but it takes into account their spending.

We're pretty sure that number is 60%, but I'm going to verify it for you.

The number of hires -- new hires in austin that come from people that currently live in austin we believe it's about 60%, but I'm going to verify that number for you and I'll email it to you and the rest of the council.

>> Spelman: If you could, that would be wonderful.

Thank you very much.

I'm done.

>> Morrison: Thank you.

I want to echo my colleagues' welcome and thanks for participating in this process that we have.

I want to follow up on one chart that I see.

When I'm looking at the job categories and wage distribution, I'm not sure who this question is going to be for.

That chart is on page 6 of the business information form.

There's actually two columns for number of jobs.

One is employed by the company.

And the other is vendor or contract.

And so the vendor or contract numbers add up to 1,090.

So I'm assuming that the 3600 includes that 1,090 have vendor or contract jobs that are not employees.

Is that correct?

Okay.

So that means that actually the employees of apple will be 2500.

So my question is about the vendor or contract jobs because we talk a lot about the benefits that are provided and the wages that are provided.

So is what we're hearing about benefits and wages also true for the vendor and contracting jobs?

>> They're different.

The average salaries are factored in, but the contract jobs do not include benefits.

>> Okay.

So do we know-- are there any standards or anything like that?

Let me back up.

Are they contracting directly with -- is apple contracting directly with the individuals or through third-party vendors and contractors?

>> I'd like the apple representative to speak to that.

I think it's the former.

>> Morrison: Okay.

Thank you.

>> Morrison: How does that affect the 1,040 that are vendors or contracts?

>> It's not actually an issue I can speak to at the moment.

Again, happy to follow up with you and get that to you at some point.

>> Great.

I would appreciate that.

But I do want to mention that I guess I saw that apple worldwide has 60,000 employees.

And if we're talking about austin being home to five or six thousand of those employees, that means that austin will be home to roughly 10% of your workforce, which is a pretty big chunk of change and i think that's an exciting prospect for us.

And I did just want to also mention, especially with all the focus on the web loci analysis, just to remind everybody, I think that it's probably the three-year anniversary of having started this new process.

We worked with the chamber and folks that were concerned about cost benefits.

And making sure that we get everything out there on the table on a timeline that really allows for the public to take a look at things, for us to ask questions and be able to have follow-up.

So I want to thank you for participating in this process because I know it might not always be the simplest thing to do, but it really helps us and our community take a look at the incentives that we may be offering.

So thank you.

>> Mayor Leffingwell: Councilmember Riley.

>> Riley:.

>> We've had a chance to visit about some aspects of this arrangement.

And one thing we talked about was transit.

And we talked about the fact that the site in question is not -- does not currently have a direct connection to transit.

Could I ask you to address Apple's interest in transit and how Apple expects to work with its employees to encourage consideration of transportation options?

>> Sure.

Apple obviously has an interest in making sure that all of our employees can get to work and transportation is obviously a key part of that in transit.

We do subsidize public transportation for our employees.

We run shuttles to and from local bus stations and local light rail.

In addition, we offer services that allow our employees to find other people in their area looking to carpool.

In the event that people take a bike or that they take public transportation and need an emergency ride somewhere, we offer emergency ride services for things that pop up that people don't have that need to say, well, I might need a car, so I'm going to drive even though public transportation is an option.

>>

>> Riley: Okay.

So Apple is committed to public transit and expects to maintain a robust program working with its employees to encourage transportation options.

>> Yes.

We already have a robust program in place that we'll scale along -- to accommodate any additional employees that we add.

>> Riley: Great.

Thanks very much.

>> Mayor Leffingwell: Okay.

Thank you very much.

Look forward to addressing this item at our regular council meeting next week.

And I look forward to (indiscernible).

>> Thank you very much.

>> Mayor Leffingwell: Now we'll go to item number 2.

Our computers are all out up here.

Maybe we should address that issue also.

Just from memory, there's one speaker signed up.

pena, did you want to speak on this item too?

We're going to take up item number 2, which is to set the public hearing.

Okay.

So council, I will entertain a motion to set the public hearing and consider the economic development ordinance with apple at MARCH 22nd, 2012 AT 4:00 P.m.

>> Cole: So move.

>> Mayor Leffingwell: Mayor pro tem so moves.

Seconded by councilmember spelman.

Any discussion?

All in favor say aye?

Opposed say no.

It passes on a vote of seven -- does monday 30 monday morning?

Okay.

So -- coal are you saying monday the following week?

this would be monday the 19th.

I think we've agreed on monday the 19th.

Are you looking for us to actually make moaptions on these?

>> Yeah, we'll have to include the work plan to 30 to 30, to cut monday afternoon scheduled meeting and then to cut the meeting that we currently have scheduled on our approved work schedule for --

>> I can't make monday morning.

>> Tovo: the 23rd.

>> Morrison: mayor?

We also have -- can't be here monday morning.

we also have the option next week if we're going to choose one meeting, to have it 30 30 instead of monday morning.

okay, and I do have a -- I do have a police retirement board at 11:30.

So I would need to leave early from that one.

mayor, why don't we have -- just talk about the scheduling in general and have some ground rules like we did with our specially called session, and if we say that we have a conflict, then we go to the discussion of trying to honor that, but if we don't say we have a conflict, then we don't go through that discussion, even if we decided that we're not going to be able to make that meeting.

Can we agree that we'll do that, rather than just, i have a conflict -- I'm assuming that everybody that says "i have a conflict"

really is going to make that meeting issues but I'm not going to say I have a conflict unless I definitely am going to make that meeting and I want all of us to be in agreement about that, not a potential item.

were you asking me?

>> Cole: yeah.

[Laughter] and the question was, don't say I have a conflict if I plan to make the meeting or -- [laughter] well, I just want all of us to agree that we won't get into this -- I'm looking at my calendar and I'm thinking oh, I can't make -- I might decide to go to that and if I decide to, I don't want to end up in a discussion of moving the meeting.

So if I say I have a conflict that means I really want to go to that meeting and I really want to reschedule it because I think we're doing some rescheduling -- yeah, I think we all assume that we want to go to the meetings.

yeah, but we have a conflict.

So we had agreed to have a 30 30 so the question is, does anybody have a conflict with that?

You do.

And so you'd like us to try to reschedule it?

Council member tovo?

I was going to ask the mayor, do you have -- i know council member spelman's conflict kicks in at 2:30.

Is there a window that we 30 working backwards to 30 -- mayor, would that resolve your conflict if we met from 10:30 to 1:30?

let me look.

>> Tovo: right.

This is excruciating, i know, but this is why we're resolving the first week's schedule and hopefully none other.

yeah, monday afternoon, the 19th -- well, if we 30 to 30, we're trying to preserve as much time there as possible for council member spelman and you to both attend.

no, i have a conflict there over the noon hour, but I can step out.

my class is at 00, and although I could probably move the timing of the class around a little bit, not very much -- it's a three-hour class so it's a 00 is fairly hard.

Perhaps we could revisit wednesday afternoon.

i think wednesday afternoon is good for me.

I believe there's a police retirement board meeting; is that correct, council mem tovo?

I think I'll be back by 1:00ish, 1:30ish.

So that probably would work.

City clerk, are we open in one of the chambers from 2:00 to 5:00?

>> I believe that we can put you in the chambers from 00 on wednesday, march 21.

>> Tovo: okay.

00, how does that sound, wednesday?

Okay.

So then the motion which I'm going to make is that we amend our schedule for council work sessions to 00 to , and replace it 00 , and that we delete 00 and we will have to recalculate the rest of the schedule and come back and fill in one of those -- oh, well, let me make my motion include that all of our sessions will shift -- all of the topics will shift by one to reflect our gap in schedule this week and recouping it on the end.

we'll keep them in the same order, they're just shifting down in time.

>> Tovo: yeah.

>> Spelman: okay.

Thank you.

Specced.

I just want to say when we -- first started talking about these work sessions -- I don't know what's wrong with my mic, but it might not be possible for everyone to make every part of these meetings, but we can send a member of our staff to monitor the meeting and report [inaudible].

That's going to be [inaudible] [technical difficulties]

>> tovo: I completely agree.

I think we'll all have some conflict at some point.

But I certainly appreciate everybody's commitment to try to make it to all of them, or as possible.

>> Martinez: mayor?

I'm going to go ahead and second the motion that council member tovo made, but I'm glad you made those comments at the end because wednesday is completely wiped out for me except for maybe 40 minutes.

But I'm not going to can us to change that -- to ask us to change that because whatever date we change it to I or somebody else will have a conflict.

I certainly want to be at every one of these work sessions and I will make every effort to be here, but if I'm not, as the mayor said, my staff will be.

We will certainly be a part of any final decisions that are made.

So I'm supporting it.

I'm glad that it works out for everybody on wednesday, but it doesn't work for me, and that's okay, because there are going to be other days that work better for me and not so good for you all.

We just have to make our best efforts on this.

And I appreciate everybody for trying to do that.

and again, I think that was the intent from the beginning, that we do the best that we could to ensure maximum participation but it wasn't always going to be possible.

Council member morrison?

>> Morrison: thank you.

Since we're shifting all of them, we do need to add -- or settle on a date for the last work session now, which is going to be the week of april 30.

So I'd like to go ahead and amend -- make a motion to -- or suggest a friendly amendment that we also add one of those dates.

There are several that are possible at this point instead of having to go through this again.

So I'll just start at the top and suggest that we also add monday, april 30 from 9:00 to 12:00.

And there's a lot of flexibility there, but i just wanted to get that started and hope that we can nail that down here also.

>> Cole: mayor?

mayor pro tem.

I also have another friendly amendment, but it does not involve changing of dates.

did we say --

>> cole: oh, I'm sorry.

I thought -- 30 to 12:30 if that's betterment.

30 to 30 sounds great and does it conflict with any council meetings we haven't contemplated?

I think that's a good time.

So yes, I accept april 30, 9:30 to 12:30.

>> And the chambers are open for your use at that time.

all right.

I have -- want to make a friendly amendment that on session 6 we only have one item, and then i have -- I want to definitely be able to attend portions of section 8 where we're considering the rates for specific types of customers, and the customer assistance program.

So I would like to make an amendment that we move those two discussion items to session 6, and on session 8 would just be remaining green energy topics.

mayor pro tem, my concern about that is that we're moving into a whole new section.

We really wanted cost of service to be its own session because it's so complicated, and I think it's going -- I think we're going to be hard-pressed to really get through our dialogue in that one session on that one issue.

And so before we move into rate design I would say that we probably should keep that discussion fairly focused.

I have a transportation trip -- you know, I sit on two transportation boards.

Is there another date that we could discuss the rates for specific customers [inaudible] communities of school districts and the customer assistance program?

I think all of those go together.

there might be, and I wonder if it might be possible to look at it maybe off-line.

I think we would have to look at moving -- I think we'd have to think about moving and creating another session, and that might be something that we would do a better job of off-line.

>> Cole: paying for my trip?

[Laughter] okay.

That's fine, mayor.

do you think that would work, if we could figure out the dates?

i think that far out in time there are plenty of opportunities to amend the schedule as conflicts come up.

>> Cole: okay.

and we do also need -- since we are recapturing, I'm going to make a friendly amendment to my own motion, the auditor points out that the auditor report is not scheduled to be completed until the end of april; is that correct?

The end of april?

And we have -- we have scheduled him about a month early.

So we'll need to add him in.

He is right now -- right now we're scheduled on session 5 to have consideration of the auditor's report on our adopted work plan, and so i am also going to propose that we eliminate that item from session 5 and move it instead to session.

>> 8.

no, not session 8, to our first extra session on april 30, which I think is our earliest opportunity.

and again, the auditor, as i recall, stated that as a goal, that he would have that report.

And again, it may be necessary to amend that discussion as well.

so ynt I do leave -- why don't I leave it open to our extra session or later.

>> Mayor leffingwell: okay.

I was going to say, does everybody understand the motion, but I'll say does anybody understand the motion?

[Laughter]

>> tovo: shall I recap?

yeah, recap.

>> Tovo: okay.

For next week we are striking our monday morning -- excuse me, our monday session and our friday session and replacing it with a wednesday session from 9:30 to 12:30.

We're adding in april 30 as our -- maybe I should start again.

Okay.

We are eliminating our monday and our friday session as scheduled for next week and we placing it with -- replacing it with wednesday from 2:00 to 5:00.

We're also adding an 00 00, and that -- and the auditor's report will be eliminated from session 5 and added into our first extra session or later.

>> Morrison: mayor?

council member morrison.

what I had recorded our motion was, it actually was april 30 from 9:30 to 12:30.

i think that's correct.

That's what I recall also.

>> Tovo: thank you, yes.

And likewise we're shifting all topics to one session later than described on our adoptive work plan.

all right.

That motion -- who was the second on this?

Council member martinez?

I think all those friendly amendments are satisfactory with everyone, so is there anymore discussion on this item?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

So with that I think that completes our agenda for today, so without objection we stand adjourned at 11:25.

>> Leffingwell: Good morning.

I'm austin mayor lee leffingwell and a quorum of the council is present.

I'm going to call this special called meeting of the austin city council to order on thursday, march 15th, 2012 at 10:07 a.m.

We're meeting in the council chambers, austin city hall, 301 west second street, austin, texas.

Without objection, council, I would like to go in reverse order and take the briefing first and then take up item 2 to set the public hearing.

And last take up item number 1.

So with that, we'll go ahead with our presentation.

>> Thank you, mayor, city council.

Kevin johns, director of economic growth and redevelopment services.

I thank you for taking time from your busy schedules over the spring break.

It wasn't just the spring break, but it was also the ides of march that made me worry about everyone attending the meeting.

This is a presentation that we're delighted to make for apple expansion.

Representing apple here today is terry ryan, who is their senior tax consultant, also jason lundguard, their governmental affairs director.

And glen golden, who is the site director for austin.

He's a local austinite.

We also have from staff veronica laura.

We've got lucy goldbreath from capital metro and jacqueline collins who helped us do the legal work.

So the presentation gives you an overview of the economic development proposal.

The purpose of today's briefing is to present an overview of apple's review of the matrix criteria and score, a summary of the fiscal analysis, compilation of the benefits and review of the proposed agreement.

Apple is a publicly traded company founded in 1976, so it's a bicentennial american company.

The company is based in cupertino and it is the world's leading designer and manufacturer of personal computers, portable digital musical players and sells a variety o musical and third party applications.

The company worldwide has 63,000 employees.

Here it has 3100 employees.

As our process moves forward, as you know, we did an economic development matrix evaluation and we looked at these five categories.

The overall economic impact, the linkages to the local economy, infrastructure impact, character of jobs and labor force practices and quality of life, cultural activities and then the web loci analysis.

I'll break it down into these two points.

Apple scored 100 out of 100 on the developmental matrix.

That is based on the following that austin will develop its presence by developing its 1,000,002 square feet 282-million-dollar investment americas operations center in austin.

A apple will create 3,635 new jobs over a 10 year period while retaining the company's existing 3100 austin-based employees to bring us close to 6,700 apple employees.

Apple offers a comprehensive benefits package, including health insurance, domestic partnership benefits and tuition reimbursement.

The loci analysis summary is as follows.

What we're proposing is 6 million over 10 years.

The total direct benefits are 8 million to the city.

Total costs are 2 million to the city over the 10 years.

And subtracting the two leaves a net benefit of 6 million to the city net benefit.

Contractual obligations are outlined here.

These include the establishment of the Americas operations center in Austin, which includes North America, South America, Latin America.

The investment of 5 million to construct up to 1 million square feet of new office space, create and maintain up to 3,635 new full-time jobs with an average annual wage of 63,950, while maintaining the 3,100 full-time employees in Austin.

Some of the other contractual agreements include working with local organizations to expand the pool of diverse candidates and recruitment efforts, the diversity policy, comply with the minority business enterprises requirements and the design and construction of the center, and comply with all city codes, including the water quality regulations.

So today we are just setting the public hearing, making the presentation so the public can comment on the proposal.

And then we would have the March 22nd public hearing in which there would be a decision and public feedback.

Beginning March 19th, public comments will be received, which is generally well received.

With that I would be happy to take any questions or we have Apple representatives here and other staff.

Thank you very much.

>> Mayor Leffingwell: [Inaudible].

One speaker signed up on item number 3.

Gus Pena.

[Inaudible]

>> Morning, Mayor, Councilmembers.

Ott, Gus Pena, proud East Austin native, proud United States Marine Corps veteran and you have heard me throughout the years, Councilmember Spelman when you ran for office in '97, economic development.

We need jobs everywhere.

But I'm proud to say that Apple has always been on our radar screen.

A lot of people may not think we're rocket scientists out there in east austin, but we are and we have a lot of astute, educated, intelligent people out there that are seeking jobs for the people, especially for our kids.

What kind of future do we have for our kids if we don't have economic development and jobs, but better training for our kids to be able to be employed in this type of job development.

It's good.

I know -- I don't know anybody that would not support it.

I don't know the specifics, but I do know one thing that caught my eye, and I believe it's going to be some need for also spanish speakers and that's great because we have to be inclusive for everybody.

I want to tell you something and I hope you are not shocked at it, but I'm in the process of learning far si and mandarin.

I told lucio you need to learn it too because we're going to need it.

I want to thank you for allowing me to speak and for the representatives from apple.

And we need to be educated.

Anyway, job well done on this, mayor, councilmembers, mr. ott.

We need this and we wholeheartedly support it.

Gustavo garcia-spillar, let's get our young people trained and educated for the future.

>> Mayor Leffingwell: There was a computer glitch on the agenda, so all the items signed up on number 2 really meant to sign up on number 3, so I'll call those now.

Greg (indiscernible).

>> Morning, council.

My name is greg casser and I'm part of the project and we have about a thousand low wage workers, mostly construction workers and I've testified at council several times about the serious dangers in the construction industry and how it's arguably the most dangerous industry in austin.

We know this will be a really large project over 10 years over a million square feet of office space will be built.

And I know that this is bringing a lot of really good jobs to austin and we're happy to hear about those and I'm pretty sure that in the presentation the averages that are being shown and the numbers being shown don't include the hundreds of construction jobs that will be created by this.

So we really would look forward to an opportunity to speak with glen or whoever else from apple to have a serious discussion about what kinds of standards they're setting on this -- such a large project that the city is endorsing.

After the serious accident at f 1 recently and several reports you've been hearing from downtown projects that are happening right now about people not following federal safety laws or even the city's own coordinates, we really want to sit down and have a conversation about how workers will be created, not only contractors, but workers, how they'll be trained and to see if their wages will be anything close to decent because even though it will be bringing middle class jobs here, we know that often times it's the construction work that's ignored.

So I thank you so much for your time.

>> Mayor Leffingwell: Dave porter.

Dave signed up for and has three minutes.

>> Morning, mayor, councilmembers.

Dave porter with the greater austin chamber.

First of all, I too want to thank you for coming in on your spring break for this incredible opportunity that we have before us.

This is a huge deal.

This is what we consider to be one of the deals of the decades.

About once a decade we get an opportunity to work a significant project.

Last decade it was the samsung deal.

This decade even though we're still early in the decade, we have an opportunity here with apple.

But this is a significant project, but I should remind you this is still very much a competitive situation.

This is not a done deal for austin.

The process that we go through makes it appear to the public that this may be a done deal, but by no means is this a done deal.

We're still very much in a competitive situation to land this project.

To have the globe's largest tech company put their operations center of the americas here in austin is huge.

That covers north america, south america, latin america.

These are going to be jobs all over the board.

It's not just 3600 software jobs.

These are jobs that are going to be in hr, finance, entry level.

So this is going to be a huge benefit to our community and allow a great opportunity for employment in many sectors of our community.

So this is a wonderful opportunity and we hope that you do the right thing next week and that apple selects austin for this project.

Thank you.

>> Mayor Leffingwell: Ken vinson.

Signed up in favor.

You have three minutes.

>> Mayor, mayor pro tem, councilmembers, my name is ben rothlisberger son and i am on the board of united way capital area and was -- the last two years I have been chairman of the campaign.

And on behalf of united way and the thousands of nonprofits we have here in our vibrant community, I'm speaking to welcome apple to expand your presence in our community.

I think it's going to be a tremendous addition to our community.

As part of apple's presence here, we would like to ask council to direct city staff to consider negotiating with apple, including within this development agreement the opportunity for an employee charitable campaign with perry world productions to be operated with all of the apple employees within central texas.

We found through past experience that charitable campaigns that enable payroll deduction make it easier for employees to serve as philanthropists and get engaged in philanthropy in our community.

There are many campaigns we run here locally that have payroll deduction.

, enterprise rental car, samsung, austin semiconductor, applied materials and many other employers take advantage of this opportunity today and we would like to ask that you negotiate this with apple as well as an opportunity for us to expand the opportunity for apple employees to participate charitably in our community.

Thank you.

Charitably in our community.

>> Mayor Leffingwell: Thank you.

I believe there will be a discussion of charitable opportunities that apple employees to its employees.

And we'll ask that question when we get through.

>> Thank you, mayor.

>> Cole: Mayor, I have a couple of questions for mr. benson.

Thank you for coming out and bringing the issue forward about charitable contributions.

I have spoken previously with some of the apple representatives about that, but I think it's a good time right now to point out some of the needs of our community.

We know the face of our community is changing.

It is moving from predominantly an anglo face to a minority face.

And that is true for not only austin, but the entire central texas region.

I believe that apple will be located -- the school district will be in round rock, but that doesn't change our need to help the schools and for other charitable needs.

So my question to you is i know you've been involved in the charitable community, the philanthropic community for a long time.

What do you see as some of the needs of that community?

>> Within the united way right now we are focused on a campaign to end poverty in our community.

Now, we know that that is a big, far-reaching goal, but we have three focus areas for united way, education, income and health as opportunities for us to reduce the impact of poverty, help move citizens out of poverty because this is a wonderful community.

This week in south by southwest we're experiencing how great it is to live here and yet there are people in our community today who don't get to enjoy the benefits of our vibrant economy.

In united way we run programs and we fund other nonprofits that are involved in reducing and eliminating poverty.

>> Cole: benson, i know that you are the current chair of united way, but I also know that you served on other nonprofits.

We aren't here today to just promote one particular nonprofit.

We want to make sure that everyone knows about the needs of our entire community and that bringing a company like this here regardless of the specifics of how they negotiate with people who make employee contributions is important.

And I will ask them about what they intend to do.

But talk about your focus on poverty, education and health.

How did that come about?

>> What we did, united way capital area represents nonprofits within central texas.

And united way capital area we are part of united way worldwide that does research on how best to reduce poverty in the community.

And what we've found is of those -- of all the things we could do to address poverty, that the key core issues were education, how do we ensure that all of our children have the opportunity to get access to education?

Today most school children in central texas have some form of a preschool before they start out in kindergarten in public school, but there are children who do not.

And as a result those children who don't have the opportunity for preschool prior to kindergarten wind up languishing during the entire education career.

We start the success by six initiative to give children the opportunity to be fully prepared to enter into kindergarten.

Within income we have programs that are designed to help transition the working poor into job skills and to give them the type of training they need to be able to thrive and to expand their ability to earn good jobs.

And within health, right now as you know, united way capital area hundreds 211 and we run the largest health care referral system within texas by running 211.

>> Cole: Okay.

Thank you.

>> Thank you.

>> Mayor Leffingwell: We also have adriana cruz and mike rollins signed up in favor, not wishing to speak.

So council, several people out here that will available for questions if you have any.

Councilmember martinez.

>> Martinez: Thank you, mayor.

I did want to ask some questions of a representative of apple, some of the points that were made.

In certain previous agreements these issues have come up and the council has taken some policy stances, maybe not necessarily with agreements of this size.

But obviously where the city participates, we want to ensure that all of our values are part of any agreement.

So one of the speakers brought up the point of construction site safety procedures.

I wanted you to just explain to us what type of procedures apple will employ to ensure construction safety for workers.

And then also whether or not this agreement contemplates a certain floor on the level of wages for those construction workers.

>> So obviously worker safety is an issue that is extremely important.

We're happy to have that conversation offline.

I don't have the specifics of how that is going to be structured and dealt with, but I'd be happy to follow up on that.

>> Martinez: Great.

So you would be willing to meet with the workers defense project and other folks that have raised these concerns and could potentially have some input as to their experiences here in town and what we can do to improve worker safety?

>> Yeah.

I'll certainly need to bring that back to the people working particularly on the project, but yeah.

>> And so is there anything in the agreement that speaks to austin's living wage for construction workers and/or employees of apple?

>> So there is definitely -- there is definitely an aspect of the agreement that talk to the wages that apple will be providing.

That's laid out in the schedule regarding the annual wages of the jobs that we're going to be providing as well as the wages for the lowest 10% of the workforce that we're planning on hiring.

So that is all laid out in the agreement in front of you.

>> Martinez: Kevin, i wanted to ask you, in your negotiations thus far have we discussed any of the wages for the construction that will happen on site?

>> We've had a thorough discussion of the employees and the average wage of 63,950.

And the lowest wages -- the lowest 10% of the wages is 35,000.

But to the best of my knowledge we have not had discussions about the construction, the construction community and their wages.

>> Martinez: I would encourage that moving forward that we bring that to the table and at least discuss those items in terms of what apple is willing to contemplate and/or what this council is willing to contemplate.

>> The apple representatives have been just really wonderful to work with.

I'm sure they would be very open to those discussions.

>> Martinez: Thank you.

Thanks, mayor.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I would like to ask a couple of questions of the apple representative.

We appreciate the fact that you're bringing jobs and actually going to employ austinites and that you're bringing jobs that are not just for the very highly educated, but also people that would go to a.c.c.

Can you talk about your potential relationship with ?

will benefit immensely from this deal and increased revenues coming into the district.

We participate with local districts and education partners all the time, but we have not laid out specifics about what we intend to do with the district.

>> Cole: Can you talk about when you come to a city that you've been to before as opposed to what might happen here -- i realize this agreement is pending, but what kind of benefit do you see from the local colleges or community colleges.

>> Benefit from or to?

>> Cole: To and from.

They obviously must benefit from the job opportunities, but is there any specific efforts that you make in other locations to make sure that that happens?

>> Obviously, the relationship goes both ways, right?

We benefit from excellent educational facilities that provide flow and workers and we think that the jobs that we're providing also are a great opportunity for individuals coming out of those educational institutions.

>> Cole: Do you have to make any decisions about the specifics of a degree program that you're looking for?

Is there something that we in austin are obviously doing right that we need to think about continue to go do that made you consider coming to austin?

>> I don't think we have anything in mind regarding specific degree programs, but we're happy to have those conversations ongoing.

>> Cole: Okay.

Now, can you talk a little bit about your charitable giving program?

>> Sure.

And again, we're happy to follow up with the gentleman from united way.

Really the heart of his question was what is apple going to do to empower their workers to be involved in the community.

In addition to our community affairs organization which helps kind of organize volunteer opportunity for some of our workers.

We do offer what I believe is a very generous employee matching program.

We match up to charitable donations of up to \$10,000 per employee per year for charitable causes that they want to get involved in.

>> Cole: Okay.

I asked those two lines of questions because our community colleges do a lot of the heavy lifting in austin and the surrounding areas, especially for the underemployment and unemployed.

So I hope that y'all have a very strong relationship and that you make contact with them, assuming that this agreement is completed.

And I'm glad that you're happy to meet with and talk to the gentleman that was here about an employee charitable program.

Thank you.

>> Thank you.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I have a few questions, some for you and some for mr. johns.

I want to echo my colleague's questions and their good points.

I concur that those would be good areas to employer and especially with regard to the community college.

I wanted to ask more questions about the job.

In looking at the schedule laid out on -- in the business information form i see that there are 1500 jobs contemplated.

I want to get a sense of what kind of jobs those could be.

>> I think the jobs that we'll locate here will run the gamut.

We will have some consumer support type positions, which I think will make up some of that 1500 positions.

>> Tovo: Great.

And in terms of a more skilled position, in your johns and others, do you feel like there is a good strong pool of applicant -- of qualified applicants here in central texas?

>> Yes.

I think that's one of the things that made austin a good -- a city that we are going to look at when we are exploring our options as far as where to place these, where to locate these jobs.

So that was definitely a selling point of the city.

>> Tovo: Then I hope -- again, I just want to echo mayor pro tem cole's suggestion that you work with the community colleges to make sure that there are individual in the pipeline who would be well qualified for these positions.

I think that would be a good benefit for your company as well as for those individuals.

And so I did some reading about the kind of training you provide to your employers.

How would somebody that begins at your company in one of the entry level positions, what might be their path upward?

What kind of training benefit would be eligible for and how might they move, progress on up in a career path.

>> We offer both training related to a specific position that we hire towards, we offer kind of customizable training programs through our apple university program and then we also offer tuition reimbursement education assistance program for people who want to continue their education, whether it's pursuing an initial degree or advanced degree that will help them with their career path.

>> Tovo: Okay.

Thanks.

These may be questions for either one of you.

I notice in the contracts that there are some provisions for not having more than 25% contract employees.

And I wondered if -- and i think that includes existing and new employees.

Do you have a number for how many contract employees are currently employed by apple here in austin?

>> I do not.

>> Tovo: Maybe for the public hearing we could talk about that.

In the firm based criteria section it talks about one of the staff assessments that are -- that your expansion here, significant expansion here could seed other kinds of businesses and encourage them to locate.

I wonder if you could give us some sense of what will be other businesses that could locate here as a result of your significant expansion.

>> I don't want to speculate too much on that front, but obviously there are a host of services, business services that tend to gravitate towards where large employers are.

So there's a whole host of catering, other just business services that would view apple as attractive potential customer and might look kindly upon moving towards that location.

In addition to just other businesses that will utilize workers with the same skill sets.

We'll find a community of kind of a workforce that's skilled in the area that they need as an attractive proposition.

>> Tovo: Great.

And with regard to the location, the agreement talks about the parmer location or another location.

And I didn't know if you had any other particular locations in mind if the parmer location doesn't work out?

>> I do not, no.

>> Tovo: So at this point the plan is to expand out there and to do your construction up there, but is there a possibility -- since it's written into the proposed agreement that it might be another location, do you think there is a significant potential that you would locate somewhere else?

>> I can't really comment on that.

>> Tovo: Okay.

All right.

Thanks very much.

johns, I think my other questions are for you.

Just a couple of quick ones.

The threshold levels, i think I understand from some of the discussions that my office has had with your office that there have been a couple other companies who have gotten 100% property tax --

>> in recent years samsung.

Samsung is the primary company that's received 100%.

And I have the amount of their investment.

Of course, I think we all kind of know that it was in excess of -- it was several billion dollars.

5 billion and 700 jobs.

>> Tovo: Thank you for that comparison.

Okay.

I think that's it for now.

Thank you and thank you again.

For the information.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: You're close, let me ask you first.

First I'd like to congratulate you on making all of the basic documents associated with this proposal available online.

I was just looking for them a few moments ago and i found everything I was looking for.

So I'm really happy it's available to us and I'm very happy it's available for the public to look at right away.

>> Thank you.

>> Spelman: I also congratulate you on your wisdom in not actually passing them out to us because then we would actually ask you questions about them.

Unfortunately I was too smart for you and I went up online and found them, so let me ask you a couple of questions about the stuff which only shows up on line which you didn't present a few minutes ago.

I'm looking at the major category report for the web loci analysis, which is your summary of all of the benefits of the proposal and all of the costs of this proposal on a year-by-year basis starting in year zero, which is presumably next calendar year and going to 2014.

>> That's correct.

>> Spelman: And we have benefits including sales taxes, property taxes, franchise fees and so on.

All of the different ways we collect money from folks in order to provide them with services.

And then all the of costs are the services that we're providing.

And I'm guessing we have large numbers of property taxes here for year 1, 2, 3, 4 and so on.

Am I right in believing these are not property taxes we would be collecting directly from apple, but property taxes we would be collecting from apple's employees?

>> If I understand your question correctly, you're asking if -- why we're not providing incentives the first four years or are you asking whether the -- within the loci analysis there is -- we're collecting property taxes -- we are collecting property taxes and/or taxes from the employees?

>> Spelman: Sure.

>> Sue reminds me that it's just for construction.

For the first four years --

>> Spelman: First four years are just during construction.

Presumably apple will not be hiring anybody during the first four years?

>> That's correct.

They have to build the 200,000 square foot building first to house the people.

So the -- there's a ramp-up period where the city is not going to be paying incentives until they have received their certificate of occupancy for the first 200,000 -- for the phase one because they'll need a building to move into.

So we've structured the first four years where we're not paying incentives.

And then after their certificate of occupancy kicks into gear.

And year one it's 300 jobs.

Year two 300 jobs.

Year three a minimum of 50 jobs for a total of 650.

And then there's the base.

>> Spelman: Gotcha.

So the benefits for year zero through three are benefits only associated with construction.

>> That's right.

>> Spelman: That's why there are no costs associated with year zero through three.

>> Right.

>> Spelman: What assumptions are we making about the construction workforce both from the construction angle and from the apple side?

Presumably we're taking into account they will have to hire construction workers to build the building, right?

>> Yes.

>> Spelman: What assumption are we making about who these guys are and what they're getting paid?

>> I haven't really broken that down.

I can ask eve richter who put the loci analysis together for apple to dig into that a little bit with you here if you wish.

>> Spelman: She happens to be right behind you.

>> We did discuss if this came up, so I'm not surprised.

>> Those construction figures are simply for cost and materials and non-inclusive of labor.

So we actually do not consider the cost of labor in the analysis for construction as it is not taxable.

We are looking at those amounts that we can draw taxes from.

>> Spelman: so presumably if people get paid, they'll spend more money, they'll live in better places, their property taxes will probably increase, but you're not including any of that stuff.

>> We don't -- no, we don't include labor.

>> Spelman: Okay.

This is just for materials.

Tell me about how you're incorporating the -- walk through me real briefly -- we don't need details and i know you know more about this than any of us have time for, but what you would summarize the primary benefits and the primary costs that I see in front of me on this report are?

What roughly are the benefits about?

Who do we get them from?

>> The benefits come both from the construction of the new facility as well as from the employees that they will begin hiring in year four.

So the costs kick in in year four when they start hiring employees.

Those are not specific to apple.

They're the same as it would be for any employee, just average cost of having a person in austin.

>> Spelman: Okay.

So one more person living in austin is going to cause us to have to provide services to them.

>> Certain benefits and certain costs.

>> Spelman: Gotcha.

Why is there a -- the benefits are greater than the costs at the end of the day.

89 Versus 76.

>> That's correct.

>> Spelman: Does the 76 6 million of grants to apple?

>> The costs do.

The 8.6 is our incentive.

That's the property tax rebate.

>> Spelman: Where do i find the incentive line?

>> That's under costs.

It's the first line called support.

>> Spelman: Okay.

So support means support to apple.

>> That's correct.

>> Spelman: Gotcha.

And I could reasonably presume that that support to apple is equivalent to the amount of property taxes that apple would otherwise be paying us.

>> That is the real property and personal property.

So business equipment.

>> Spelman: Gotcha.

And that would not be showing up in the benefits line.

We're not double counting it here.

>> No.

The benefits line of -- we're not double counting.

The benefits line includes those taxes, but you'll see the exact amount of the property taxes does not equal the exact amount of the support because those taxes in that line starting year four include property taxes from the employees.

So the homes that they purchase and things that they have as well.

But not the first few years because that's just construction.

>> Spelman: so I'm looking at year five, for example.

Property taxes for year five on the benefits side are 1.4.

Are these actual dollars?

\$1.4 Million.

>> That's correct.

>> Spelman: And then support costs are \$838,000.

>> That's correct.

So we break those out and calculate them separately.

>> Spelman: Right.

4, 838 is actually apple's property taxes.

The remainder is employee property taxes.

>> That's correct.

>> Spelman: Okay.

What assumptions are we making then -- so we have apple counting two places.

The benefits we're taking it in, but the costs we have to bring back out again.

>> Correct.

>> Spelman: Okay.

What assumptions are we making about how many of the people that apple is hiring are already living here and how many of them will be moving from cupertino and how many will take the jobs because they're available here?

>> The web loci analysis we of sources including capcog and the cam chamber and other resources to figure out how many people who take a job in austin are from austin and how many are commuting in from other places.

So there's a black box calculating that somewhere in there, but we've put in our assumptions based on our community inputs.

Those are the same for every project.

Web loci is not sophisticated enough to go by where the actual location of the facility is.

We also -- it's just the inputs.

>> Spelman: Okay.

But the inputs are based on our experience in austin, texas.

--

>> we have to state those annually, yes.

>> Spelman: So if I opened up a shop and hired 100 people, some of the people already lived here, some of the people are moving from nebraska and some of the people I'm importing from someplace else.

And that's taken into account based on our experience with similar companies.

>> Roughly.

There's also the unemployment rate is filtered in there as well.

So how many people were previously unemployed, how many people already lived here, how many came in from other counties.

>> Spelman: So if your unemployment rate were two and a half percent like it was four or five years ago, that would assume most of these people would be coming from someplace else because we haven't got that big after labor pool to work with.

>> I'm not privy to the black box calculations that web loci does.

We do that with every project.

How many people live here or will move here from surrounding counties or elsewhere is annually updated.

>> Spelman: Okay.

And if you put in a different unemployment rate, if our unemployment rate went down, presumably more people would be moving in, not -- we would be hiring fewer people who are currently living in austin texas, we would be hiring more people from outside.

>> I believe our benefits go down slightly in that case.

>> Spelman: Okay.

They would.

Do we have a sense for what percentage of the people web loci is calculating would be moving in to austin, texas to take these jobs or is that something it doesn't report?

>> We typically use the companies -- how many they plan to hire locally.

That gets figured in.

And then -- no, actually, it doesn't.

It's the web loci that calculates that.

I could get that input number for you.

>> Spelman: Okay.

I'll ask you for it offline.

That would be very helpful.

Thanks, eve.

I'd like to ask the fellow from apple a couple of questions if I could.

>> Spelman: I wanted to get more detail to verify what I think is true.

You're talking about mostly back office operations in an operations center.

And you mentied human resources people, you mentioned I think accounting staff and then customer support.

They have college degrees.

They have aa's, what kind of training particular skills do they need, that sort of thing?

>> I think obviously given that this will deal with the customer support jobs will deal with both north and south america, so language skills are very important.

The level of education i think is kind of -- runs the gamut as far as what is definitely required, but i can't give you a firm answer on that, but I'd be happy to follow up with you on that question.

>> Spelman: When you say that 50% of the local executives would be hired local -- which is high.

I wouldn't think you would be hiring 50% of your executive staff locally, but over the course of 10 years, 75% of your managers locally and 90% of the supervisors, 85% of your staff, staff level jobs and 99% of your entry level jobs.

These sound like really, really good numbers which can help us a tremendous amount with our own unemployment rate, which although lower than most other cities, is still higher than we're used to around here.

When you say locally higher, that means that you're going to be hosting the job locally, doing interviews locally, but we can't be absolutely certain that 90% of your supervisors are actually going to be living in austin, texas right now, is that right?

>> Yes, that's my understanding.

>> Spelman: Is there anything you can tell us about the likelihood from your point of view that the supervisors, the staff level people, the entry level people, are actually going to be austin

residents as opposed to people who moved here from nebraska because they heard there were jobs here?

They really want to work for apple.

>> Right.

I think our intent is to hire locally to the extent possible.

And I think the numbers that we submitted reflect that commitment.

Obviously when it comes to some of the rules there would be a preference.

People who have been working for apple and hiring from within is obviously -- would be a priority as well.

So I think there's kind of a natural progression of as those new jobs come, people who have experience with the company and might be more likely to take supervisor type positions, then I think that is reflected in the numbers as well.

>> Spelman: That's a very good thing.

I imagine it helps you keep your employees for a longer period.

So -- this is probably one of those offline calculations that eve and her magic program will help us figure out, but my best guess is that although we're going to be hiring 99% of the entry level positions in austin, texas, 99% of the people you hire will not currently be residents of austin, texas.

There will be some watering down of that.

That impressive and valuable effect that you will be having on our unemployment rate.

And although I'm going to try to figure out just how much watering down there's going to be, it sounds to me that the fact that you're hiring so many people over a 10 year period locally is a very, very good thing for our economy and for our workforce and people.

>> I think it's a valuable point.

Even if people are coming from surrounding communities, the impact on austin, the benefit to the city and the city's residents is going to be real.

Those people are still going to be buying things in austin stores, they're still going to be eating at austin restaurants and there will be definitely positive benefits even if people come from outside of the city itself.

>> Spelman: And eve, i won't ask you to come up.

Just nod your head because I'm almost sure I'm right.

All of those secondary effects of having more money in people's pockets and therefore buying more goods, going to restaurants more often, all that stuff is not taken into account in the web loci analysis, is that correct?

Oh, it is?

In that case we'll have to have a little bit more.

Thank you, sir.

I will have to ask eve this.

Tell me, eve, I thought there were no multiplier effects here.

>> [Inaudible - no mic].

>> There are no multiplier effects, but it does take into account some amount of spending.

That's why we include factors such as disposable income.

There are no multipliers, so it doesn't take into account the secondary jobs created, but it takes into account their spending.

We're pretty sure that number is 60%, but I'm going to verify it for you.

The number of hires -- new hires in austin that come from people that currently live in austin we believe it's about 60%, but I'm going to verify that number for you and I'll email it to you and the rest of the council.

>> Spelman: If you could, that would be wonderful.

Thank you very much.

I'm done.

>> Morrison: Thank you.

I want to echo my colleagues' welcome and thanks for participating in this process that we have.

I want to follow up on one chart that I see.

When I'm looking at the job categories and wage distribution, I'm not sure who this question is going to be for.

That chart is on page 6 of the business information form.

There's actually two columns for number of jobs.

One is employed by the company.

And the other is vendor or contract.

And so the vendor or contract numbers add up to 1,090.

So I'm assuming that the 3600 includes that 1,090 have vendor or contract jobs that are not employees.

Is that correct?

Okay.

So that means that actually the employees of apple will be 2500.

So my question is about the vendor or contract jobs because we talk a lot about the benefits that are provided and the wages that are provided.

So is what we're hearing about benefits and wages also true for the vendor and contracting jobs?

>> They're different.

The average salaries are factored in, but the contract jobs do not include benefits.

>> Okay.

So do we know-- are there any standards or anything like that?

Let me back up.

Are they contracting directly with -- is apple contracting directly with the individuals or through third-party vendors and contractors?

>> I'd like the apple representative to speak to that.

I think it's the former.

>> Morrison: Okay.

Thank you.

>> Morrison: How does that affect the 1,040 that are vendors or contracts?

>> It's not actually an issue I can speak to at the moment.

Again, happy to follow up with you and get that to you at some point.

>> Great.

I would appreciate that.

But I do want to mention that I guess I saw that apple worldwide has 60,000 employees.

And if we're talking about austin being home to five or six thousand of those employees, that means that austin will be home to roughly 10% of your workforce, which is a pretty big chunk of change and i think that's an exciting prospect for us.

And I did just want to also mention, especially with all the focus on the web loci analysis, just to remind everybody, I think that it's probably the three-year anniversary of having started this new process.

We worked with the chamber and folks that were concerned about cost benefits.

And making sure that we get everything out there on the table on a timeline that really allows for the public to take a look at things, for us to ask questions and be able to have follow-up.

So I want to thank you for participating in this process because I know it might not always be the simplest thing to do, but it really helps us and our community take a look at the incentives that we may be offering.

So thank you.

>> Mayor Leffingwell: Councilmember riley.

>> Riley:.

>> We've had a chance to visit about some aspects of this arrangement.

And one thing we talked about was transit.

And we talked about the fact that the site in question is not -- does not currently have a direct connection to transit.

Could I ask you to address apple's interest in transit and how apple expects to work with its employees to encourage consideration of transportation options?

>> Sure.

Apple obviously has an interest in making sure that all of our employees can get to work and transportation is obviously a key part of that in transit.

We do subsidize public transportation for our employees.

We run shuttles to and from local bus stations and local light rail.

In addition it we offer services that allow our employees to find other people in their area looking to carpool.

In the event that people take a bike or that they take public transportation and need an emergency ride somewhere, we offer emergency ride services for things that pop up that people don't have that need to say, well, I might need a car, so I'm going to drive even though public transportation is an option.

>>

>> Riley: Okay.

So apple is committed to public transit and expects to maintain a robust program working with its employees to encourage transportation options.

>> Yes.

We already have a robust program in place that we'll scale along -- to accommodate any additional employees that we add.

>> Riley: Great.

Thanks very much.

>> Mayor Leffingwell: Okay.

Thank you very much.

Look forward to addressing this item at our regular council meeting next week.

And I look forward to (indiscernible).

>> Thank you very much.

>> Mayor Leffingwell: Now we'll go to item number 2.

Our computers are all out up here.

Maybe we should address that issue also.

Just from memory, there's one speaker signed up.

pena, did you want to speak on this item too?

We're going to take up item number 2, which is to set the public hearing.

Okay.

So council, I will entertain a motion to set the public hearing and consider the economic development ordinance with apple at MARCH 22nd, 2012 AT 4:00 P.m.

>> Cole: So move.

>> Mayor Leffingwell: Mayor pro tem so moves.

Seconded by councilmember spelman.

Any discussion?

All in favor say aye?

Opposed say no.

It passes on a vote of seven -- does monday 30 monday morning?

Okay.

So -- coal are you saying monday the following week?

this would be monday the 19th.

I think we've agreed on monday the 19th.

Are you looking for us to actually make moaptions on these?

>> Yeah, we'll have to include the work plan to 30 to 30, to cut monday afternoon scheduled meeting and then to cut the meeting that we currently have scheduled on our approved work schedule for --

>> I can't make monday morning.

>> Tovo: the 23rd.

>> Morrison: mayor?

We also have -- can't be here monday morning.

we also have the option next week if we're going to choose one meeting, to have it 30 30 instead of monday morning.

okay, and I do have a -- I do have a police retirement board at 11:30.

So I would need to leave early from that one.

mayor, why don't we have -- just talk about the scheduling in general and have some ground rules like we did with our specially called session, and if we say that we have a conflict, then we go to the discussion of trying to honor that, but if we don't say we have a conflict, then we don't go through that discussion, even if we decided that we're not going to be able to make that meeting.

Can we agree that we'll do that, rather than just, i have a conflict -- I'm assuming that everybody that says "i have a conflict"

really is going to make that meeting issues but I'm not going to say I have a conflict unless I definitely am going to make that meeting and I want all of us to be in agreement about that, not a potential item.

>> Mayor leffingwellwere you asking me?

>> Cole: yeah.

[Laughter] and the question was, don't say I have a conflict if I plan to make the meeting or -- [laughter] well, I just want all of us to agree that we won't get into this -- I'm looking at my calendar and I'm thinking oh, I can't make -- I might decide to go to that and if I decide to, I don't want to end up in a discussion of moving the meeting.

So if I say I have a conflict that means I really want to go to that meeting and I really want to reschedule t because I think we're doing some rescheduling -- yeah, I think we all assume that we want to go to the meetings.

yeah, but we have a conflict.

So we had agreed to have a 30 30 so the question is, does anybody have a conflict with that?

You do.

And so you'd like us to try to reschedule it?

Council member tovo?

I was going to ask the mayor, do you have -- i know council member spelman's conflict kicks in at 2:30.

Is there a window that we 30 working backwards to 30 -- mayor, would that resolve your conflict if we met from 10:30 to 1:30?

let me look.

>> Tovo: right.

This is excruciating, i know, but this is why we're resolving the first week's schedule and hopefully none other.

yeah, monday afternoon, the 19th -- well, if we 30 to 30, we're trying to preserve as much time there as possible for council member spelman and you to both attend.

no, i have a conflict there over the noon hour, but I can step out.

my class is at 00, and although I could probably move the timing of the class around a little bit, not very much -- it's a three-hour class so it's a 00 is fairly hard.

Perhaps we could revisit wednesday afternoon.

i think wednesday afternoon is good for me.

I believe there's a police retirement board meeting; is that correct, council mem tovo?

I think I'll be back by 1:00ish, 1:30ish.

So that probably would work.

City clerk, are we open in one of the chambers from 2:00 to 5:00?

>> I believe that we can put you in the chambers from 00 on wednesday, march 21.

>> Tovo: okay.

00, how does that sound, wednesday?

Okay.

So then the motion which I'm going to make is that we amend our schedule for council work sessions to 00 to , and replace it 00 , and that we delete 00 and we will have to recalculate the rest of the schedule and come back and fill in one of those -- oh, well, let me make my motion include that all of our sessions will shift -- all of the topics will shift by one to reflect our gap in schedule this week and recouping it on the end.

we'll keep them in the same order, they're just shifting down in time.

>> Tovo: yeah.

>> Spelman: okay.

Thank you.

Spec'ed.

I just want to say when we -- first started talking about these work sessions -- I don't know what's wrong with my mic, but it might not be possible for everyone to make every part of these meetings, but we can send a member of our staff to monitor the meeting and report [inaudible].

That's going to be [inaudible] [technical difficulties]

>> tovo: I completely agree.

I think we'll all have some conflict at some point.

But I certainly appreciate everybody's commitment to try to make it to all of them, or as possible.

>> Martinez: mayor?

I'm going to go ahead and second the motion that council member tovo made, but I'm glad you made those comments at the end because wednesday is completely wiped out for me except for maybe 40 minutes.

But I'm not going to can us to change that -- to ask us to change that because whatever date we change it to I or somebody else will have a conflict.

I certainly want to be at every one of these work sessions and I will make every effort to be here, but if I'm not, as the mayor said, my staff will be.

We will certainly be a part of any final decisions that are made.

So I'm supporting it.

I'm glad that it works out for everybody on wednesday, but it doesn't work for me, and that's okay, because there are going to be other days that work better for me and not so good for you all.

We just have to make our best efforts on this.

And I appreciate everybody for trying to do that.

and again, I think that was the intent from the beginning, that we do the best that we could to ensure maximum participation but it wasn't always going to be possible.

Council member morrison?

>> Morrison: thank you.

Since we're shifting all of them, we do need to add -- or settle on a date for the last work session now, which is going to be the week of april 30.

So I'd like to go ahead and amend -- make a motion to -- or suggest a friendly amendment that we also add one of those dates.

There are several that are possible at this point instead of having to go through this again.

So I'll just start at the top and suggest that we also add monday, april 30 from 9:00 to 12:00.

And there's a lot of flexibility there, but i just wanted to get that started and hope that we can nail that down here also.

>> Cole: mayor?

mayor pro tem.

I also have another friendly amendment, but it does not involve changing of dates.

did we say --

>> cole: oh, I'm sorry.

I thought -- 30 to 12:30 if that's betterment.

30 to 30 sounds great and does it conflict with any council meetings we haven't contemplated?

I think that's a good time.

So yes, I accept april 30, 9:30 to 12:30.

>> And the chambers are open for your use at that time.

all right.

I have -- want to make a friendly amendment that on session 6 we only have one item, and then i have -- I want to definitely be able to attend portions of section 8 where we're considering the rates for specific types of customers, and the customer assistance program.

So I would like to make an amendment that we move those two discussion items to session 6, and on session 8 would just be remaining green energy topics.

mayor pro tem, my concern about that is that we're moving into a whole new section.

We really wanted cost of service to be its own session because it's so complicated, and I think it's going -- I think we're going to be hard-pressed to really get through our dialogue in that one session on that one issue.

And so before we move into rate design I would say that we probably should keep that discussion fairly focused.

I have a transportation trip -- you know, I sit on two transportation boards.

Is there another date that we could discuss the rates for specific customers [inaudible] communities of school districts and the customer assistance program?

I think all of those go together.

there might be, and I wonder if it might be possible to look at it maybe off-line.

I think we would have to look at moving -- I think we'd have to think about moving and creating another session, and that might be something that we would do a better job of off-line.

>> Cole: paying for my trip?

[Laughter] okay.

That's fine, mayor.

do you think that would work, if we could figure out the dates?

i think that far out in time there are plenty of opportunities to amend the schedule as conflicts come up.

>> Cole: okay.

and we do also need -- since we are recapturing, I'm going to make a friendly amendment to my own motion, the auditor points out that the auditor report is not scheduled to be completed until the end of april; is that correct?

The end of april?

And we have -- we have scheduled him about a month early.

So we'll need to add him in.

He is right now -- right now we're scheduled on session 5 to have consideration of the auditor's report on our adopted work plan, and so i am also going to propose that we eliminate that item from session 5 and move it instead to session.

>> 8.

no, not session 8, to our first extra session on april 30, which I think is our earliest opportunity.

and again, the auditor, as i recall, stated that as a goal, that he would have that report.

And again, it may be necessary to amend that discussion as well.

so ynt I do leave -- why don't I leave it open to our extra session or later.

>> Mayor leffingwell: okay.

I was going to say, does everybody understand the motion, but I'll say does anybody understand the motion?

[Laughter]

>> tovo: shall I recap?

yeah, recap.

>> Tovo: okay.

For next week we are striking our monday morning -- excuse me, our monday session and our friday session and replacing it with a wednesday session from 9:30 to 12:30.

We're adding in april 30 as our -- maybe I should start again.

Okay.

We are eliminating our monday and our friday session as scheduled for next week and we placing it with -- replacing it with wednesday from 2:00 to 5:00.

We're also adding an 00 00, and that -- and the auditor's report will be eliminated from session 5 and added into our first extra session or later.

>> Morrison: mayor?

council member morrison.

what I had recorded our motion was, it actually was april 30 from 9:30 to 12:30.

i think that's correct.

That's what I recall also.

>> Tovo: thank you, yes.

And likewise we're shifting all topics to one session later than described on our adoptive work plan.

all right.

That motion -- who was the second on this?

Council member martinez?

I think all those friendly amendments are satisfactory with everyone, so is there anymore discussion on this item?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

So with that I think that completes our agenda for today, so without objection WE STAND
ADJOURNED AT 11:25